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**ADDITIONAL CIVILIAN POSITIONS FOR THE
DEFENSE DEPARTMENT**



HEARING
BEFORE THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
EIGHTY-SIXTH CONGRESS
FIRST SESSION
ON

H.R. 6059 and H.R. 6065

BILLS TO PROVIDE ADDITIONAL CIVILIAN POSITIONS FOR
THE DEPARTMENT OF DEFENSE FOR PURPOSES OF SCI-
ENTIFIC RESEARCH AND DEVELOPMENT RELATING TO
THE NATIONAL DEFENSE, TO IMPROVE THE MANAGEMENT
OF THE ACTIVITIES OF SUCH DEPARTMENT, AND FOR
OTHER PURPOSES

MAY 11, 1959

Printed for the use of the Committee on Post Office and Civil Service



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ADDITIONAL CIVILIAN POSITIONS FOR THE DEFENSE DEPARTMENT

MONDAY, MAY 11, 1959

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to call, at 10 a.m., Hon. James C. Davis (chairman of the subcommittee) presiding.

Mr. DAVIS. This subcommittee was appointed to consider H.R. 6059 and H.R. 6065, identical bills to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

Representatives Irwin, Alford, Corbett, and Wallhuser are members of the subcommittee, and I was designated chairman.

This legislation is based on an executive communication from the Deputy Secretary of Defense dated March 13, 1959. A copy of this letter has been furnished to each member of the subcommittee.

(The bill H.R. 6059 follows:)

[H.R. 6059, 86th Cong., 1st sess.]

A BILL To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such department, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 of the Classification Act of 1949 (5 U.S.C. 1105) is amended by adding the following new subsection at the end thereof:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule."

(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(c) Nothing contained in this section shall affect any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (j) of section 505 of the Classification Act of 1949 as contained in the amendment made by subsection (a) of this section.

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), is

amended by striking out "two hundred and ninety-two" and inserting in lieu thereof "four hundred and fifty".

SEC. 3. The first sentence of section 1582 of title 10, United States Code, is amended to read as follows: "The Secretary of Defense shall report to Congress not later than February 1 of each year on the number of positions established under section 1581 of this title during the immediately preceding calendar year."

Mr. DAVIS. In summary, this is the general effect of the legislation: First, section 505 of the Classification Act of 1949 would be amended by adding a new subsection authorizing the Secretary of Defense to place a total of 372 positions in the Department in grades 16, 17, and 18 of the general schedule subject to the procedures prescribed by section 505, but not to the ceiling imposed by subsection (b) of the section. This is coupled with a reduction of the total number of GS-16, 17, and 18 positions the Civil Service Commission is authorized to allocate under section 505(b) for the Government as a whole. The number reduced will be the number of such positions allocated out of that total to the Department of Defense as of the enactment date of the bill.

Second, section 1(b) of the bill would protect the incumbents of the existing GS-16, 17, and 18 positions in the Department of Defense until appropriate action is taken under the new authority.

Third, section 2 of the bill would increase from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in the Department of Defense.

Fourth, section 3 of the bill would merely change from December 31 to February 1 of each year the date on which the Secretary of Defense is required to report to the Congress on scientific and professional positions, so as to permit the report to cover the entire preceding calendar year.

The Defense Department reports that this legislation would permit the Secretary of Defense to have, by congressional allocation, a specific number of GS-16, 17, and 18 positions as compared to the present procedure whereby the Civil Service Commission allocates each position. The revised procedure, according to Mr. Quarles' letter of March 13, 1959, would make for better planning and utilization of these supergrade positions. It would also provide an increase of 69 positions over the number now available to Defense.

This proposed legislation would also add 158 scientific and professional positions, which the Defense Department has indicated are needed in the research and development programs in our defense effort. These programs, according to Defense Department representatives, are becoming more and more complex and vital to our Nation's defense.

We have as witnesses today Hon. Charles C. Finucane, Assistant Secretary of Defense (Manpower and Personnel), accompanied by Mr. Leon Wheelless, Mr. R. H. Willey, Rear Adm. R. E. Cronin, and Mr. John Watts, from the Department of Defense, and Hon. Frederick J. Lawton, Commissioner, Civil Service Commission.

We are glad to have you gentlemen with us and we will hear first from Secretary Finucane.

Mr. Finucane.

STATEMENT OF HON. CHARLES C. FINUCANE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER AND PERSONNEL); ACCOMPANIED BY LEON L. WHEELLESS, STAFF DIRECTOR, CIVILIAN PERSONNEL POLICY, OFFICE OF SECRETARY OF DEFENSE (M.P. & R.); ROBERT H. WILLEY, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE ARMY; REAR ADM. R. E. CRONIN, CHIEF, OFFICE OF INDUSTRIAL RELATIONS, DEPARTMENT OF THE NAVY; AND JOHN A. WATTS, DIRECTOR OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE

Mr. FINUCANE. Mr. Chairman and members of the committee. I appreciate this opportunity to discuss with you the provisions of H.R. 6059 and its companion bill, H.R. 6065, which is legislation of vital interest to the Department of Defense. We are very grateful to the chairman and the ranking minority member of the House Post Office and Civil Service Committee for introducing this legislation and for giving us this opportunity to appear in its support.

The Department of Defense has always found your subcommittee, Mr. Chairman, willing to bear with us as we present our various problems with respect to civilian personnel, and to assist us in working out appropriate solutions to those problems. It is in this atmosphere of mutuality that I appear before you this morning, to lay before you the problem which the Department faces in obtaining the proper number of top level positions and in making the most effective use of those positions, and to ask your assistance in working out a proper solution to this problem.

First, I should like to review the needs of the Department of Defense in the scientific and professional area.

Upon recommendation of the House Post Office and Civil Service Committee the Congress recognized in the act of August 1, 1947 (generally referred to as Public Law 313) the necessity for offering more adequate salaries to specifically qualified scientists in the defense program, and for providing flexibility in selecting and fixing the rates of pay for these scientists.

This law permits appointments without competitive examination and authorizes pay to be fixed within a range of \$12,500 and \$19,000 a year. The qualifications of a proposed appointee, as well as his proposed annual salary, are subject to approval by the Civil Service Commission.

The legislation contained in Public Law 313, as amended, has been particularly helpful to the Department of Defense. It has not only permitted higher pay for scientists, but it has made possible the establishment of rates of pay for specially qualified scientists which take into consideration the qualifications of the individual as well as the requirements of the job.

Such flexibility is highly desirable because job content cannot be rigidly prescribed for many top level positions involving research and development functions. In these positions, the ability of the incumbent determines to a considerable extent the nature and content of the job.

I am happy to state that, to my knowledge, there has never been a word of criticism as to the manner in which this flexible authority has been used in the Department of Defense during the almost 12 years it has been on the statute books. Nor have I heard anything but praise for the manner in which the Civil Service Commission has cooperated in the administration of this law.

While Public Law 313 has been valuable, however, the number of position which it authorized has been too small to meet the actual needs of the Department of Defense.

In 1958 the Department submitted legislation which would have increased to 450 the number of Public Law 313 positions available to it. This specific legislative proposal was not acted upon; however, in the Federal Employee Salary Increase Act of 1958, the Congress authorized 292 of these positions for Defense instead of the 450 requested by the Department. During the same session, the Congress also made available 15 Public Law 313 positions for use exclusively in the newly established Advanced Research Projects Agency.

In H.R. 6059, Mr. Chairman, we are renewing the same request made last year for 450 Public Law 313 positions, an increase of 158 over the number now available to the Department of Defense for the top scientists engaged in work on vital research, development, and test activities.

One fundamental reason for these additional positions is the expansion which has been taking place in the research and development activities of the Department. The budget for research and development in fiscal 1956 was \$3.3 billion. The comparable budget request for research, development, test, and engineering in the fiscal 1960 budget was nearly \$5.6 billion.

An equally compelling reason for more Public Law 313 positions is the steadily increasing complexity and urgency of these programs. Existing requirements for the development of missiles and test vehicles for the expanding guided missile programs, for military space programs, for new nuclear weapon applications, for many new types of combat and support aircraft, and for experimental ships of many classes have created a pressing need for the highest possible technical leadership in the Department of Defense.

To retain the type of scientific talent that we need for these programs, and to attract new personnel as required, it is essential that we be able to adequately compensate scientific and professional personnel in key jobs and to offer talented men careers with opportunities for advancement in the research and development programs of the Department of Defense. We cannot satisfactorily do this with the present shortage of higher level positions.

This situation has been especially serious because of the strenuous national competition for the services of qualified scientific and professional personnel. Although there has been some relaxation in recruitment of such personnel, competition for well-qualified personnel is still very strong, and the probability of another upsurge in recruiting activity must be anticipated.

In the face of extremely attractive salary and other inducements being offered by private industry many of our scientists are staying with the Department of Defense at considerable personal sacrifice only because of their great interest in the projects in which they are

engaged and their dedication to the defense effort. But they do want comparable recognition with their fellows in the Department who are doing comparable work. We should not be forced to ask any of them to accept less than comparable recognition because of the lack of a sufficient number of high-level scientific and professional positions to satisfy legitimate requirements.

The importance of scientific research and development and its application to our military defense has never been more obvious than it is today. In the final analysis, however, the success of research and development programs depends upon the people who plan and manage them. Experience has demonstrated that availability of positions of the nature authorized by Public Law 313, as amended, improves our ability to retain those specially qualified scientific and professional people employed in these important activities.

To enable the Congress to fulfill its responsibility for determining the number of these positions which should be authorized, the Department of Defense must submit and justify its requirements. In order to provide you with full information as to these requirements, we have prepared and made available to you lists of positions involved, a brief description of the work in each, and a compilation of the positions by research and development program areas.

In your review of this material you will note that these positions involve duties of broad scope. Men holding such positions as technical directors of air development centers, chief scientists of Signal Corps laboratories, and technical directors of naval ordnance laboratories must be of the highest caliber if we are to get the results we are seeking from our research, and if the billions of dollars being spent on research and development activities are to be administered most effectively. Failure to recognize properly the importance of these positions could be the worst type of extravagance, we believe.

The requirements for scientific and professional positions may shift both within and among the military departments as emphasis is placed upon different areas of research. For that reason, to provide needed flexibility, present legislation vests in the Secretary of Defense responsibility for all the positions in the Department of Defense. H.R. 6059 would continue this arrangement, so that positions may be allotted, and from time to time reallotted, to the military departments and the Office of the Secretary of Defense, as required by demonstrated needs.

Mr. Chairman, I should now like to discuss some of the problems of the Department of Defense with respect to the top management positions represented by the three highest grades under the Classification Act, popularly referred to as supergrades.

There are two problems with respect to GS-16, 17, and 18 positions which are of concern to the Department of Defense and which H.R. 6059 can in large measure alleviate. The first of these is that the Civil Service Commission is responsible for allocating to the various departments and agencies the positions authorized by the Congress under section 505(b) of the Classification Act, and Defense does not have title to the spaces which may from time to time be allocated to it and therefore cannot make the most effective use of those spaces within the Department.

Whenever a GS-16, 17, or 18 space in the Department of Defense becomes vacant, the Commission must determine the relative urgency

of the position for which Defense proposes to use that space as compared with requirements for positions at the same level in all other agencies. Many times this Department loses supergrade spaces as a result.

This situation presents problems to the Department of Defense as the largest of the Federal Departments, and it places upon in the Civil Service Commission an extremely difficult task of attempting to weigh objectively the needs of Defense against the needs of other agencies. Furthermore, it makes it impossible for the Department of Defense to deal with the Post Office and Civil Service Committees of the Congress in terms of its requirements for GS-16, 17, and 18 positions, without involving other departments and agencies of the Government.

Therefore, H.R. 6059 would provide authority in the Secretary of Defense for the exclusive use by the Department of Defense of the number of GS-16, 17, and 18 positions which the Department has out of the number authorized in section 505(b) of the Classification Act. At the same time it would reduce the number of GS-16, 17, and 18 positions authorized in section 505(b) by the number which are allocated to the Department of Defense.

The second problem which concerns the Department of Defense is that there are not available to it enough GS-16, 17, and 18 spaces to meet requirements for positions which the Civil Service Commission has agreed after review should be allocated at these levels.

The most effective and efficient management of the Department of Defense demands the best talent obtainable. Ability to use GS-16, 17, and 18 allocations whenever appropriate is not only of considerable assistance to the Department in meeting outside competition for this talent, but it is also necessary to assure equitable treatment of employees under the provisions of the Classification Act of 1949.

A basic principle of the Classification Act is "equal pay for substantially equal work." This is a sound principle of compensation. But it falls when statutory ceilings fail to provide enough spaces at the GS-16, 17, and 18 levels to accommodate all the positions which merit allocation to those grades.

Last year, in response to a request from the Chairman of the Civil Service Commission, the Department of Defense submitted to the Commission information on its requirements for GS-16, 17, and 18 positions. The Commission has reviewed and evaluated the recommendations submitted by Defense. As the result of this action, Defense received a net increase of 40 GS-16, 17, and 18 positions out of the 287 made available by the Congress in 1958, bringing its total of these positions to 310. In this total of 310 positions were 189 GS-16's, 89 GS-17's, and 32 GS-18's.

Also, in January of this year, we were advised that there were 200 more GS-16, 17, and 18 proposals of the Department of Defense which, in the opinion of the Commission's staff, merited approval in the grades requested if sufficient spaces were available. It is on these figures, as I shall explain more fully, that the request of the Department for additional supergrades is based.

In the 200 positions which the Commission's staff agreed are at the supergrade level are 6 reclassifications of existing supergrades, thus leaving 194 positions which should be but are not now in GS-16, 17, or 18. In this total of 194 are many positions which are of the

type for which Public Law 313 authority could be used, if sufficient spaces were available under that authority. Because we consider Public Law 313 to be more appropriate for these positions, they have been eliminated from the 194, leaving a minimum of 62 positions in the Department of Defense—2 GS-18's, 4 GS-17's, and 56 GS-16's—which could be in supergrades but for which no spaces are available.

H.R. 6059 would add 62 spaces to the 310 spaces now available to the Department of Defense under section 505(b) of the Classification Act, and authorize a total of 372 GS-16, 17, and 18 spaces for use in the Department. Each of these 372 spaces can be accounted for either as a currently authorized supergrade, or as a position which the staff of the Civil Service Commission agrees should be a supergrade. As in the case of the Public Law 313 positions, we have prepared and made available to you detailed information on these positions.

Also, Mr. Chairman, I should like to call your attention to the fact that H.R. 6059 would continue with the Civil Service Commission the final authority for determining which positions merit allocation to grades GS-16, 17, and 18. No position in the Department of Defense could be placed in one of these grades if this bill is enacted without prior approval by a majority of the Civil Service Commissioners. This fact, added to the careful screening given to proposed actions of this nature within the Department, seems to us to provide adequate safeguards against the misuse of any positions at these levels authorized by the Congress.

H.R. 6059 also contains an amendment to the reporting provisions of Public Law 313 which would require the Secretary of Defense to report to the Congress by February 1, rather than December 31 as required by present law, on positions established during the preceding year. This would permit the report of the Secretary to cover a full calendar year.

In conclusion, Mr. Chairman, a most important asset to the Department of Defense is the key scientific and executive personnel whose competence and ability so much affect the way in which the Department's mission is accomplished. These people merit equitable treatment of terms of position classification and pay, and I do not believe that the Government should deny such treatment to any of them because of too restrictive numerical ceilings on top level positions.

I believe also, that equitable treatment of people at the top is extremely important if we are to induce competent ambitious young persons to select Government as a career.

In consideration of the size of the Department of Defense, its worldwide responsibilities, the nature of its mission, and the heavy responsibilities placed upon its key scientific and executive personnel, I hope that this subcommittee will give earnest consideration to our request for 220 more of these top positions.

I thank you for your very patient hearing of my opening remarks.

Mr. DAVIS. Thank you, Mr. Secretary, for your very splendid statement regarding this proposed legislation.

I assume you now have a procedure to allocate supergrades and Public Law 313 positions among the military departments.

Mr. FINUCANE. We do have, Mr. Davis.

Mr. DAVIS. Would you explain how the procedure works?

Mr. FINUCANE. Yes, sir. As far as the supergrades are concerned, each service at the lowest level of command studies its requirements. These requirements are forwarded to the Department level. In the case of the Army, we have a committee made up of four of the Deputy Assistant Secretaries of Army plus the administrative assistant, Mr. John Martin, plus a representative of the Chief of Staff, usually a general officer, and they carefully screen these requirements against other requests from the Army. When those screenings have been completed, approved positions are sent to the Civil Service Commission, which in turn passes on the validity of each request. So you can see, sir; there is a very careful screening carried on from the lowest command up through and to the Civil Service Commission before these grades are granted.

As far as the Public Law 313 positions are concerned, requirements are screened at the Department of Defense level, which is in my office. However, they come up through the same screening process in each of the three services as the supergrades. We shall presently cut in the new Director of Defense Research and Engineering, who ranks immediately below the Deputy Secretary of Defense, and get his advice and approval on all requirements for this type of professional position, feeling that he and his staff are the only people who really know the field of scientists and know the qualifications of these people. Proposed appointments will, after approval, be sent to the Civil Service Commission for study and approval.

We are also getting out a new set of criteria, which has not yet been adopted by the Secretary, but I understand will be, which outlines in great detail how we shall screen these Public Law 313 positions and personnel, both as to qualifications and as to what their starting salary should be.

Mr. DAVIS. In dealing with requests for supergrades, GS-16, 17, and 18, you told us how the requests come in and how they are dealt with. Does your handling of it result in cutting down the number of requests which come in, or do you assume that they are all needed and deal with it on that basis?

Mr. FINUCANE. Mr. Chairman, of course each position is carefully studied and analyzed within each of the services. I think we are quite confident in my office that, with the vast organization we have and the vast new programs at all times, we probably do not have as many spaces available to us as we should have and, indeed, as you may be aware, sir, we have lost 7 recently from the Navy due to reallocations of spaces as they became available through transfer to Public Law 313 spaces. They went to the Commission and were allocated to other Government agencies. So we now have seven less than we had.

Mr. Chairman, in that book which we presented to you, we have a rather brief description of the type of work that these men are doing, and if there are any instances on which you would like elaboration, either for yourself or for the record, we will get full documentation of each and every one of these, if you wish, sir.

Mr. DAVIS. We and the staff shall study this book very carefully. I wanted, in a brief way, to find out whether or not any effort was made at a higher level to determine whether or not all of the positions requested were actually needed. We find that oftentimes requests for supergrades will be made when they really are not needed at the time. They anticipate they may be needed as far ahead as perhaps a

year from then. I think somebody in each agency must look at these requests very carefully, and determine whether or not they are being overloaded. That is what I was getting at. Do you have a system which evaluates the need for them now or whether they will be needed in the future or whether they are actually not needed now or never will be?

Mr. FINUCANE. I think, Mr. Chairman, as I described the screening and, indeed, fierce competition in the Department of the Army among these various elements, with so many requests and so few grants made, the one that hurts the most is probably the one which is given the position.

Would you like to elaborate on that, Mr. Wheelless?

Mr. WHEELLESS. Mr. Chairman, I think what the Secretary has said is certainly true. He used the Army as a good example, although all the services go through substantially the same process. Not only does this process involve the matter of evaluating the jobs, but also determining the priority. With the small number of spaces that are available, I do not think there is any question that the job which did not need to be filled for a year would quite likely not wind up in this top group, because they just would not be able to get enough spaces for that.

I might point out, also, in connection with the legislation we have submitted, Mr. Chairman, that we have restricted ourselves this time in terms of supergrades to positions which have already been reviewed and approved by the Civil Service Commission. We have not asked for any position about which there is any controversy between us and the Commission or any position which has not been submitted to the Commission. We have limited our requirements to those numbers; although, as you can appreciate, situations change and it may not be lack of these identical jobs eventually which would wind up in a supergrade space, but at least these are jobs which have been approved by the Commission.

As to Public Law 313, the reviews have cut down on the numbers. For example, this figure of 450: When the total requirements of the services and OSD came in, they added up to about 508, and the reviews cut that back to 450.

Mr. DAVIS. What is your current method of dealing with the Civil Service Commission regarding the validation and the allocation of supergrade positions?

Mr. FINUCANE. We have the positions which are presently filled. When we have a vacancy we are given a certain length of time in which to find a replacement for that vacancy. At the end of that time, Mr. Chairman, as we stated, the position may go back to the Commission for reallocation, and if they find some position in another branch of the Government which they feel is more important than ours, they take the allocation away from us.

Mr. DAVIS. What is the length of time you have in which to fill a vacancy?

Mr. FINUCANE. Currently, sir, we are authorized 90 days to fill supergrades. I feel that one of the weaknesses of our system is that, being human and realizing we might lose one of these positions, under the present system our management may attempt to fill that position in order to hold it when they should take a little more time in studying the personnel whom they might find to fill it. This would be particularly true in the category of rare skills.

Mr. DAVIS. I notice in the status of positions as of May 4, there were 303 supergrades and there were 16 vacancies—2 in the Army, 5 in the Navy, and 9 in the Air Force. Do you have offhand information as to how long those vacancies have existed?

Mr. FINUCANE. We do not have that, Mr. Chairman. Many of the Public Law 313 spaces are filled by transfers from supergrades, and this is pretty slow. It sometimes involves extensive negotiations with the Civil Service Commission in order to avoid loss of the supergrade spaces. Naturally, that is one of the things we hope H.R. 6059 will correct for us. We do not at the moment have the exact figures on how long each vacancy has existed.

Mr. WHEELLESS. I think, Mr. Davis, if you wanted that information, the service people who are present this morning might be able to supply it. We do not have information on the length of time these vacancies have existed.

Mr. DAVIS. I notice there are 46 vacancies also in the Public Law 313 positions. I would like to have a statement for the record as to how long those vacancies have existed.

Mr. WHEELLESS. All right, sir, we will supply that.

(The information requested follows:)

VACANT SUPERGRADE AND PUBLIC LAW 313 POSITIONS IN THE DEPARTMENT OF DEFENSE (MAY 4, 1959)

Listed below are the specific vacancies in Public Law 313 and GS-16, 17, and 18 positions in the Department of Defense as of May 4, 1959. These vacancies existed, in general, for four basic reasons:

(1) Qualified persons for these highly specialized positions normally cannot be located quickly in today's labor market; (2) time is required for the careful scrutiny at several levels within the Department and at the Civil Service Commission of persons being considered and selected; (3) redistribution of responsibilities often makes it necessary to withhold filling of a vacancy pending a determination as to whether the available space will be utilized for refilling the former position or should be shifted to another higher priority position; and (4) some positions are not refilled or authorized spaces used in order to provide a small reserve within the ceiling for use in connection with planned reorganizations or unanticipated requirements.

Supergrades

	<i>Vacant since—</i>
Army:	
Deputy Assistant Secretary of the Army (Financial Management) GS-18.....	Feb. 26, 1959
Deputy Assistant Secretary of the Army (Logistics) GS-18..	Mar. 31, 1959
Navy:	
Special Assistant for Public Affairs to the Secretary of the Navy, GS-16.....	Apr. 1, 1959
Special Assistant to the Assistant Secretary of the Navy for Financial Management, GS-17.....	Do.
Technical Director for Development of Underwater Weapons Systems, Bureau of Ordnance, GS-16.....	Jan. 7, 1959
Technical Director for Development of Air Weapons Systems, Bureau of Ordnance, GS-16.....	Do.
Head, Structural Mechanics Laboratory, David Taylor Model Basin, Carderock, Md., GS-16.....	Jan. 29, 1959
Air Force:	
Deputy General Counsel (International Affairs), Office, Secretary of the Air Force, GS-17.....	Oct. 26, 1958
Technical Director, Rocket Engine Test Laboratory, Air Force Flight Test Center, ARDC, GS-17.....	Jan. 31, 1958
Technical Director, Director of Research, Wright Air Development Center, ARDC, GS-17.....	Oct. 19, 1958
Academic Director, Air Force Institute of Technology, Air University, GS-17.....	Oct. 24, 1958
Assistant For Ballistic Missiles, Headquarters Air Materiel Command, GS-16.....	Oct. 24, 1958

Supergrades—Continued

Air Force—Continued		Vacant since—
Associate Director of Accounting and Finance, Comptroller, Headquarters USAF, GS-16-----	Feb. 7, 1959	
Assistant Deputy Director for Supply Requirements, Headquarters Air Materiel Command, GS-16-----	Feb. 7, 1959	
Director of Aeronautical Sciences, Air Force Office of Scientific Research, ARDC, GS-16-----	Mar. 1, 1959	
Deputy for Military Assistance Programs, Office, Secretary of the Air Force, GS-16-----	Apr. 6, 1959	

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Office of the Secretary of Defense: ¹		
Staff Specialist for Chemical Sciences-----	Dec. 12, 1958	
Special Assistant (Space Science)-----	Jan. 8, 1958	
Special Assistant (Research Policy)-----	Jan. 8, 1958	

Army:		
Chief, Biological and Medical Sciences Branch, ARO, OCRD-----	Aug. 1, 1958	
Senior Civilian Missile Adviser, Assistant Chief of Staff, Intelligence-----	Aug. 1, 1958	
Senior civilian scientific adviser, ACSI-----	Aug. 1, 1958	
Assistant for Research and Development, Ordnance Weapons Command-----	Do.	
Executive Assistant (Civilian Chief), Research and Development Division, Ordnance Tank and Automotive Command-----	Do.	
Scientific adviser, Office, Chief of Transportation-----	Do.	
Chief Scientist and Technical Director, U.S. Army Combat Surveillance Agency, Sig C-----	Feb. 17, 1959	
Chief Engineer, Ordnance Tank and Automotive Command, Ord C-----	Do.	
Technical Director, and Assistant Chief, Research and Development Division, OC Sig O-----	Do.	

Navy:		
Chief Scientist, Bureau of Aeronautics-----	Oct. 24, 1958	
Technical Assistant, Power Plant Division, Bureau of Aeronautics-----	Nov. 30, 1958	
Technical Director, Aeronautical Electrical and Electronic Laboratory, Naval Air Development Center, Johnsville, Pa-----	Aug. 29, 1956	
Head, Physiology Division, Naval Medical Research Institute, Bethesda, Md-----	July 31, 1958	
Technical Director for Development, Surface Weapons Systems, Bureau of Ordnance-----	Do.	
Chief Naval Architect, Hull Design Branch, Bureau of Ships--	Feb. 10, 1959	
Head, Research Department, Naval Ordnance Test Station--	Feb. 6, 1959	

Air Force: ²		
Deputy Assistant Secretary, Research and Development, Office, Assistant Secretary (Research and Development)---	June 20, 1957	
Technical Director, Geophysics Research, Air Force Cambridge Research Center, ARDC-----	Oct. 21, 1958	
Deputy Chief, Operations Analysis, Office, Vice Chief of Staff, Headquarters USAF-----	Apr. 10, 1959	
Air Technical Intelligence Adviser (Electronic data), Air Technical Intelligence Center-----	Aug. 22, 1958	
Director (Advanced studies), Air Force Office of Scientific Research, ARDC-----	Nov. 19, 1958	
Technical Director, Nuclear Applications Division, Headquarters, Air Research and Development Command-----	Nov. 19, 1958	
Chief, Operations Analysis, DCS/Operations, Headquarters, USAF-----	Sept. 16, 1958	

¹ In addition to the 3 positions listed above 17 spaces have been held in reserve pending reorganization of the Department of Defense and appointment of the Director of Defense Research and Engineering (Dr. York). These 17 spaces have recently been released to Dr. York for his use in staffing the new Office of Director of Defense Research and Engineering.

² In addition to the seven spaces listed above, three spaces have been held in reserve by the Office of the Secretary of the Air Force in connection with planned realignment of the operations research organization.

Mr. DAVIS. What change would there be in the procedure of operation between you and the Civil Service Commission if this legislation were enacted?

Mr. FINUCANE. Mr. Chairman, there would be no change, as I understand it. We will again appoint nobody who has not been approved by the Civil Service Commission, both as to job and person, either Public Law 313 or supergrade. The only difference is that if the Congress sees fit to grant to us a setaside of these GS-16, 17, and 18 spaces, they will be set aside for the Department of Defense. However, we will go through the same steps exactly with the Commission to see that we have the right people in the jobs and that each job rates the GS-16, 17 or 18 that is recommended. So the only difference would be that we will have a setaside of a certain number for us, and the number we now have, if the Congress sees fit, would be taken from the entire number available to the Government, which is some 1,513, with some exceptions of which you are aware, Mr. Chairman.

Mr. DAVIS. I believe you stated a while ago that you had lost seven positions.

Mr. FINUCANE. Seven positions in the Navy, as I recall.

Mr. WHEELLESS. That is correct.

Mr. DAVIS. Are those all of the vacancies in supergrades which you have lost in the Department of Defense by reason of the Civil Service Commission reaching out and taking them back from you?

Mr. FINUCANE. I shall let Mr. Wheelless answer that.

Mr. WHEELLESS. Since the Secretary has not been here long enough to have full knowledge of this, I shall attempt to answer that question. I could not cite specific jobs, Mr. Chairman, but I do know that over the years Defense has lost a number of vacant positions through this process.

Mr. DAVIS. More than the seven?

Mr. WHEELLESS. More than the seven which the Navy recently lost, yes, sir.

Mr. DAVIS. Have you a rough ideal as to about how many that might be?

Mr. WHEELLESS. I would guess probably 15 to 20.

Mr. DAVIS. Has the Civil Service Commission withdrawn any Public Law 313 positions?

Mr. WHEELLESS. No, sir. They could not do that because by law the authority for those is vested in the Secretary of Defense.

Mr. FINUCANE. Mr. Chairman, I think it is of interest to you and your committee that last year when the Congress allocated 287 new positions, the Defense Department, being one-half in numbers the size of the Government, received how many?

Mr. WHEELLESS. It actually totals a net of 33 now.

Mr. FINUCANE. Thirty-three out of the 287 net increase. We are roughly half the Government. I think it fair to say we do have uniformed officers who do similar type of work. I would not want to mislead the committee that that is exactly a comparison, but it is indicative of the fact that we get one-tenth of the additional authorization when we are about half the size of the Government.

Mr. DAVIS. I have not had an opportunity yet to go through these books which you left here. I do not know whether the Secretary would have this information or not, but I would like to ask this

question: Since you are requesting 69 additional supergrade positions, which is a 20 percent increase over the present 303, would you indicate a few specific examples where these additional positions are needed?

Mr. WHEELLESS. That, Mr. Chairman, is covered at Tab C in these books. There is a complete listing of every position.

Mr. FINUCANE. I will read some to you. Chief, Special Systems Group; Chief, Requirements Group; Chief, Inventory Management Group. These are for GS-16 positions, and those are in the Air Force.

Mr. DAVIS. You need not continue with that. The information is contained in the document.

Mr. FINUCANE. There is a list of many more of them there.

Mr. DAVIS. Does the report also contain similar information regarding the Public Law 313 positions?

Mr. FINUCANE. Yes, it does, sir.

Mr. DAVIS. What method will you use and how would you go about filling these 220 new positions if they are allotted?

Mr. FINUCANE. Most of them will be filled by people who are presently on the rolls of the Department in civil service GS ratings because we do not have sufficient 313's or supergrades to take care of them. About 20 percent of them, Mr. Chairman, will probably be new recruitments from the outside to take care of new positions which are being established.

Mr. DAVIS. How many, Mr. Secretary?

Mr. FINUCANE. Twenty percent. The other 80 percent will be transferred from existing GS positions; is that correct?

Mr. WHEELLESS. Yes, that is correct.

Mr. DAVIS. Will these 220 additional top level jobs merely serve to create more GS-13, 14, and 15 positions?

Mr. FINUCANE. Mr. Chairman, we are always conscious in my office and work very hard to stop a depreciation of grades, both in the military and in the civilian service. I am glad to report that if this law is passed we anticipate there will be a relatively small increase in the grades 14 and 15. For the record, I should like to put in some recent figures. In the Army there were none; in the Navy there were 7; in the Air Force 2; and in the Office of Secretary of Defense, 3; for a total of 12 out of 110 recent supergrade actions. This is since July 1, 1958.

Mr. WHEELLESS. For the record, Mr. Chairman, just to explain these figures the Secretary has given, we actually asked the services and OSD to take a look at what had happened since last July in connection with supergrade actions. Out of 110 supergrade actions which they had had since last July, there were these figures which the Secretary has given in terms of upgradings in GS-13, 14, and 15. The total number of supergrade actions were 110. The total number of upgradings below were 12 in GS-13, 14, and 15, which is about 10 percent.

Mr. DAVIS. Mr. Secretary, would you indicate for us the occupational areas, such as comptroller general, comptroller, and personnel administration, in which the new supergrades would go? Is that also covered in this document?

Mr. FINUCANE. Yes, it is, sir, but I would like to give you some specific information right now.

General administration and management, we have presently 53 and there will be an additional 13. Financial management, we have

presently 47 and there will be an additional 9. Manpower and personnel management, we have presently 24, and there will be an additional 4. Legal and administrative services, we have presently 31, and there will be an additional 14. Procurement and supply management, we have presently 49, and there will be an additional 19. Intelligence operations, we have presently 19, and there will be an additional 3 more.

Mr. DAVIS. What area was it which will have an additional 19?

Mr. FINUCANE. Procurement and supply management. That is, of course, the technical services, our Air Materiel Command, and so forth, which, of course, is our biggest area. We presently have 49, and we shall have an additional 19 if the law is passed.

Engineering and physical science management, 60, with an additional 8. Construction and maintenance management, 26, with an additional 17. That would be in the Army Engineers, I presume.

Mr. DAVIS. What is the situation with reference to personnel leaving top positions in the Department? Have you a problem along that line?

Mr. FINUCANE. Yes, Mr. Chairman, we do have a problem. It is a problem we will always have, because it is correct that we have very wonderful training facilities in Government, and industry is anxious to take advantage of them. Of course, in the nature of our economic life, we do not want to hold any good man back. During 1958 we have lost 47 of these top level people. I will give you some examples:

The Assistant Director of the Ordnance Missile Laboratory in the Army went to an electronics firm.

The Director of Countermeasures, Signal Corps Lab, Army, went to Magnavox Corp.

Two division directors of the Signal Corps Laboratory, Army, went to the Radio Corp. of America.

The Deputy Chief Scientist, Strategic Air Command, went to the Analysis Services, Inc.

The Chief Scientist of the Air Force went to the Melpar, Inc.

The Chief Scientist of the Naval Air Missile Test Center and the Chief Scientist at the Office of Naval Research both went to Stromberg-Carlson.

We can cite others, sir.

Mr. DAVIS. Is there any real probability of the Departments' competing with private industry in holding these top people if this legislation is passed? For instance, if this legislation had been on the books at the time these people left, do you think it would have made any difference insofar as their leaving is concerned?

Mr. FINUCANE. I do not believe, Mr. Chairman, any legislation could stop a great many of these top people from leaving. They leave for many personal reasons. Certainly one of the reasons is money. Others are ambitious to get to the top of a great corporation, and so forth.

It is correct, though, that on the other side of the ledger, having a greater opportunity to bring people to the top in comparison with our size enables us to recruit and hold young men coming out of college because they can readily see that there is much greater opportunity for them at the top if there are, we will say, 400 \$18,000 a year positions available rather than if there are 40. Neither figure is actual.

I am simply stating an example. I think one of the things we worry about a great deal is the crowding at the top. This is true in all life. It is true in industry. It is true in the military services. It is certainly true in the civil service of our Government.

Mr. DAVIS. If the military departments continue to contract out work, is there really a need for these additional top jobs?

Mr. FINUCANE. I believe there is, Mr. Chairman. I think we can show it in some ways. It is an odd thing. As you look at the figures which I can supply to you, the Army has stated more requirements for these jobs than the Air Force. The Army historically, due to the fact that they have their arsenal system which is ingrained in our history for 150 years, tend to do a great deal more in-house work. The Air Force, 10 years old, not having all this background of arsenals, staffs, and people who have been there a long time, have a tendency to contract out. Personally, I do not believe there has been very much change in those relative ideas in the 5 years since I have been here. In other words, the Army are still contracting their work with in-house people at Redstone Arsenal. The Navy still do the great mass of their work in Government-owned navy yards. The Air Force is away on the other side of the ledger, doing relatively little. I do not see it increasing or decreasing. It seems to me it is about where it was.

Mr. DAVIS. You do not think, then, the Air Force is improving its position insofar as taking over more work and doing it in-house?

Mr. FINUCANE. No; I do not believe they are, but I might say, Mr. Davis, I am really not qualified to answer that question. Just as an opinion, I would think the Air Force philosophy is to contract when possible to do so.

Mr. DAVIS. If these 69 supergrades and 158 Public Law 313 positions are granted, will that meet all of the needs of the Department?

Mr. FINUCANE. Mr. Davis, we believe that will take us a long way down the road, and we hope we would not have to come back again. However, one of the advantages of this law is that it brings your committee and the Department of Defense closer together, and if for some reason which we cannot presently foresee, in another year or 2 years or 5 years, when certainly I will not be here but someone else might assess the requirements differently, at that time they would come and present a request to you, sir. As of the moment, this would seem adequately to take care of our immediate demands. Incidentally, it is some few less than the Civil Service Commission have already approved. Is that not correct?

Mr. WHEELER. That is correct. That is, in the sense that the Commission has probably 100 or so jobs that they have not finally evaluated, some of which would undoubtedly be approved with the submission of additional information by the Defense Department.

Mr. FINUCANE. But we are satisfied with this if the committee sees fit to grant our request.

Mr. DAVIS. How many schedule C positions, which are known as political appointment positions, supergrade positions, do you now have in the Defense Department?

Mr. FINUCANE. We have 23, Mr. Davis.

Mr. DAVIS. What would be your opinion as to whether a larger number would become schedule C positions?

Mr. FINUCANE. We have no requests for schedule C appointments in any of the services at the moment. We do not contemplate making any more, Mr. Davis. In the year that I have been in office, I do not think we have had requests for any.

Mr. WHEELLESS. We have had a few, probably three or four.

Mr. FINUCANE. But they were replacements.

Mr. WHEELLESS. Generally.

Mr. DAVIS. What is your interpretation, Mr. Secretary, of the amendment to section 1(b) as found on page 2, lines 3 to 9, of the bill?

Mr. FINUCANE. It reduces the number of positions authorized in section 505(b) of the Classification Act by the number of positions allocated under that section to DOD. In other words, we would contemplate that if we were granted these positions, there would be taken from the 1,513 approximately 300, and that would leave some 1,213 to the rest of the Government. However, that is, of course, a matter for the committee and the Congress. We have no right and really are not in a position to comment on what the requirements of the balance of the Government are. I believe the Commission is not averse to this type of action.

Mr. DAVIS. How many supergrade positions do you anticipate the Civil Service Commission will have allocated to the Department by June 30 of this year?

Mr. FINUCANE. We do not know, Mr. Chairman. We have presently 303. We have lost some seven.

Mr. DAVIS. Have you discussed that with the Civil Service Commission?

Mr. FINUCANE. I have not personally, no, Mr. Davis.

Mr. DAVIS. What is your understanding of the purpose of section 1(c) of this bill, on page 2, lines 10 through 19?

Mr. FINUCANE. Section 1(c), Mr. Chairman, would protect the existing GS-16, 17, and 18 positions in the Department of Defense, and it would protect their incumbents until appropriate action is taken by the Department of Defense under the new law, if passed. This would prevent question arising upon the enactment of the bill as to the immediate status of the incumbent of a supergrade position which up to that time existed under authority of section 505(b) of the Classification Act. The language is comparable to that used in previous legislation which changes the legal authority for the establishment of the positions.

Mr. DAVIS. Mr. Secretary, what is the purpose, in your understanding, then, of section 3, line 25 on page 2 to line 5 on page 3?

Mr. FINUCANE. Section 3, Mr. Chairman, amends the reporting requirement of Public Law 313 by extending to February 1 of each year the date on which the reports are to be made to the Congress. This will permit each report to cover the full preceding calendar year, which is not possible under the present language requiring the report to be made not later than December 31.

Mr. DAVIS. We seem to be in accord on that.

Mr. FINUCANE. The last few weeks are an estimate, sir.

Mr. DAVIS. You feel, I suppose, that this proposed legislation would give a greater degree of flexibility to you as the head of the Manpower and Personnel for the Defense Department.

Mr. FINUCANE. We definitely do, Mr. Chairman.

Mr. DAVIS. Would you give us a statement as to just the manner in which it would?

Mr. FINUCANE. The DOD will have a definite number of spaces for its own use. A decision can be made to shift a vacant space to a position considered more important, Mr. Chairman, without the danger of losing the space to some other agency. If required, a longer period of time can be taken to find a suitable recruit for a vacant position without the risk of losing the space because a replacement was not immediately available. Indeed, I personally believe that some wrong appointments have been made simply to protect, on some occasions, the position itself.

It will also give us a more attractive career pattern for our people. Equitable treatment among comparable positions is probably the most important single factor in retaining personnel, especially scientists and engineers. H.R. 6059 will enable the Department to improve greatly in this respect. This is also an important consideration to able young college graduates, as I mentioned a minute ago, of the caliber our Department is trying to attract. They are more likely to accept and continue in employment if they do not see their normal career progression blocked by an unrealistic ceiling on positions at the top.

There will also be a more realistic number of positions. The increase in supergrades and Public Law 313 spaces provided in H.R. 6059 will meet the Department's most pressing requirements at this time. Also, as I stated before, sir; it will make it possible for the Department, should greater needs occur in the future, to present its requirements to the Post Office and Civil Service Committee without involvement of other departments or other agencies of the Government.

It would fix the responsibility for passing upon these requirements with the Congress, where it should be, rather than with any commission or any other group of people, as it is at present, Mr. Chairman.

Mr. DAVIS. Thank you very much, Mr. Secretary, for your statement and for the additional information you have provided. I am sure you feel that this legislation would make a top career position in the Defense Department more attractive.

Mr. FINUCANE. I believe so, Mr. Chairman.

Mr. DAVIS. Do you also feel that it would assist you in recruiting and retaining engineer-scientists and other necessary and able career employees?

Mr. FINUCANE. Yes, Mr. Chairman.

Mr. DAVIS. We appreciate very much your appearance with us this morning. I thank you and Mr. Wheelless for the information you have provided.

Mr. FINUCANE. Thank you, Mr. Chairman.

Mr. DAVIS. We also have Commissioner Frederick J. Lawton with us this morning. We are delighted to have you, Mr. Commissioner. Do you have a prepared statement?

STATEMENT OF FREDERICK J. LAWTON, COMMISSIONER, CIVIL SERVICE COMMISSION, ACCOMPANIED BY ROBERT S. HARE, CHIEF OF PAY SYSTEMS SECTION, PROGRAM PLANNING DIVISION, BUREAU OF PROGRAMS AND STANDARDS, CIVIL SERVICE COMMISSION; AND R. D. REMLEY, ASSISTANT TO THE DIRECTOR, BUREAU OF INSPECTIONS AND CLASSIFICATION AUDITS, CIVIL SERVICE COMMISSION

Mr. LAWTON. Mr. Chairman, I do not have a prepared statement. The views of the Commission in support of this legislation are contained in the report which we submitted to you about 2 weeks ago.

We believe that the need is there as far as our knowledge of jobs presented to us is concerned in the supergrade area. I recall that the committee several years ago increased the number of positions in the supergrades for the Department of Defense, but it was reduced in the Senate and in the last days of the session it was lost in conference.

As was pointed out in Secretary Finucane's statement, the jobs that are requested in the supergrade area are jobs that have been evaluated by the Commission as being worth those grades. We feel it is essential, if the Department is to conduct the tasks imposed upon it in these times, that it must have personnel of sufficient grade and adequate capability to carry on the important and primary work of defense.

Mr. DAVIS. I have a copy of the letter of the Chairman of the Commission, Mr. Jones, dated April 30, That is the letter you referred to?

Mr. LAWTON. That is the letter I referred to, yes, sir.

Mr. DAVIS. Let me ask you this, Mr. Commissioner: Can the Commission now, under the existing legislation, allocate a block of supergrades to an agency or department to be held permanently?

Mr. LAWTON. Let me put it this way: I would think that it could reserve in its mind a number of positions for a department, but I think it would be completely contrary to the purpose and intent of the act, which is for the allocation of a number of supergrades for the use of the Government as a whole. When we have a shortage situation, it is important that we be able to give priority to the most urgent needs at any given moment. The value of these jobs, naturally, ranges in a grade. Two jobs may be worth grade 16. One may have a minimum and one a maximum worth in that grade. But if we had the choice to make in allocating positions in a shortage situation, then we would naturally take the job that we considered to be the more worthy of a grade 16, the harder job of the two. We think that is what the intent of the Classification Act is.

Mr. DAVIS. You feel there is an obligation on the part of the Commission to continually review all these positions for the purpose of determining from time to time which of them are the more important and where the allocations should be made?

Mr. LAWTON. We provide for something like that in the quarterly reports we get from the agencies as to their supergrade situation.

Mr. DAVIS. From the testimony here this morning I assume that the Commission has discussed the Defense Department's needs for these new positions, supergrades and Public Law 313 positions?

Mr. LAWTON. We have discussed the supergrades. In connection with the disposal of the additional positions that were provided in the last Pay Act, we asked all agencies to reevaluate their positions and indicate to us the jobs for which they wanted supergrades. We evaluated those jobs in most instances and in the case of the Department of Defense out of their 271 requests at this time we evaluated approximately 200 as being worth the supergrades. Some were move-ups but the majority were grade 16's. We evaluated them and felt they were worth the grades requested. Those are the only jobs that have been included in this total.

Mr. DAVIS. What is your opinion as to whether the Defense Department now needs 69 new supergrade positions?

Mr. LAWTON. Our opinion is that they do need them and that the jobs that were presented to you are worthy of that grade.

Mr. DAVIS. The testimony was also that the Civil Service Commission had taken away seven supergrades from the Navy Department. Why were those taken away?

Mr. LAWTON. The positions that were at that time in supergrades were transferred to Public Law 313. They qualified as scientific positions and the Navy put those jobs in Public Law 313 and took them out of supergrades, leaving seven supergrade positions vacant which we recaptured.

Mr. DAVIS. Are there any plans on foot in the Commission to recapture any more supergrade positions from the Navy or the Department of Defense?

Mr. LAWTON. Not at the present time. The possibilities may be a little the reverse, that in a further analysis of any jobs that we may have on hand—and they change after every quarterly report—they might get one or two of them back, but we have not any plans to recapture any more of them. We went through that process when we assigned the positions under the new law.

Mr. DAVIS. If this bill is enacted how would the procedure work between the Civil Service Commission and the Defense Department regarding supergrade positions and Public Law 313 positions?

Mr. LAWTON. On the Public Law 313 positions it would be the same process that we have now. They would submit the position to us, a description of the job, and a description of the qualifications of the individual who is to fill that job, because Public Law 313 has a dual consideration, not only the description of the job but the qualifications of the man for that position. Different qualifications of the man may change the compensation by a couple thousand dollars, depending on the personal qualifications of the individual who is to fill that job. That would not change.

In the case of supergrades, the Department of Defense would submit to us supergrade positions with justifications for the positions. We would evaluate them as to whether they were worth grade 16, 17, or 18, or none of those grades. Whatever grade we indicated a position was worth, the Department of Defense would place the job in that grade. If we indicated it was not worth one of those three grades, the Department of Defense would leave it where it was.

The difference in this situation at this time would be that at the present time we would assign positions out of the pool for those we allocated, and now the positions will belong to the Department of Defense. If we find one is not worth it, they can find another posi-

tion that may be worth it. We cannot recapture any positions. They are theirs and when they have a shift in their organization they can adjust to that shift much more readily than they can now.

Mr. DAVIS. In case a request is submitted to create a grade 16 position and you should determine it is not worthy of a 16 but should be a 15, do you have authority to make that reduction or to cut that down?

Mr. LAWTON. Yes.

Mr. DAVIS. You now have that authority?

Mr. LAWTON. It is not really a question of cutting it down, it is not putting the job in a supergrade. Our authority is to place them in the grades.

Mr. DAVIS. You do have that authority now?

Mr. LAWTON. Yes.

Mr. DAVIS. And would you have it under this new legislation?

Mr. LAWTON. It is our understanding of the legislation that can be done. Section 505(b) of the Classification Act is ample authority. However, there has been some question about the propriety of the Commission's action in assuming that these words mean that the Commission must pass on each individual position, and it may be if there is any question in your minds it should be clarified in the report.

It is our understanding, and the understanding of the Department of Defense, that the jobs will follow normal procedure, come to the Commission, be passed on, and the majority vote of the Commission will put the jobs in grade 16, 17, or 18. That is our understanding of the bill as it stands.

Mr. DAVIS. In passing on requests from the Department of Defense in the past, has the Commission differed with the Department and to what extent, if any, with the requests that have been submitted for these supergrades?

Mr. LAWTON. The most recent example of it is in this last submission. They had 271 positions they thought were worth supergrades. We thought about 200 of them were worth supergrades. It is true we have not evaluated all of them, but it would not make a difference of more than a few positions.

In the past we have disagreed with them on positions. During the length of time the act has been in effect, I do not know the number, but there have been disagreements not only as to whether they were worth supergrades at all but as to which of the supergrades they were worth.

Mr. DAVIS. Under the provisions of this legislation, Mr. Commissioner, is it your understanding that the Commission would continue to have authority to review all schedule C positions?

Mr. LAWTON. Yes, I would think that authority remains. There is nothing in here that I would think affects it.

Mr. DAVIS. What is your interpretation of the bill on page 2, lines 3 to 9? You have heard the colloquy here between Secretary Finucane and myself about those three sections. Do you differ with their construction or with mine as I announced it in the opening statement as to any of these sections of the bill?

Mr. LAWTON. No, I do not. I think the number of positions that are there at the time the act is passed will be taken out of the total availability for all agencies and that leaves the total available to the others exactly as it is now.

Mr. DAVIS. Mr. Commissioner, how many Public Law 313 positions, these scientific and engineering positions, are there now in the Federal Government?

Mr. LAWTON. There are 772 positions in Public Law 313 or the equivalent type. There are some differences in the wording in the National Aeronautical and Space Agency Act and in the Aviation Agency Act, but in that type of position there are 772.

Mr. DAVIS. And how many supergrade positions are there in the Government?

Mr. LAWTON. There are 1,828.

Mr. DAVIS. And how many of those are not under the grade review of the Commission?

Mr. LAWTON. There are 122 that are not under the grade review.

Mr. DAVIS. Where are they?

Mr. LAWTON. The largest number are in the FBI. There are 3 in the Department of State; 75 in the FBI; 4 in the Administrative Office of Courts; 11 in Immigration and Naturalization; 1 in the Corps of Engineers of the Army; 1 in the Department of the Interior; 1 in Commerce; 1 in Agriculture; 10 in General Services; and then there are 3 more in Agriculture; 2 in Fish and Wildlife Service; 9 in the Railroad Retirement Board; and 1 in the Public Works Department of the Department of the Interior.

Mr. DAVIS. Thank you, sir.

How many of the supergrades are not under the allocation procedure of the Commission?

Mr. LAWTON. That figure is 193.

Mr. DAVIS. Where are they?

Mr. LAWTON. Those jobs are—25 in the General Accounting Office; 30 in the Library of Congress; 5 in the Security Council; 15 in the Small Business Administration; 10 in the Office of Civil and Defense Mobilization; 80 in the Federal Aviation Agency; 10 in the Advanced Research Agency of the Department of Defense; 8 under the Aviation Act in the Civil Aeronautics Board; and 10 others in the Civil Aeronautics Board.

Mr. DAVIS. Thank you very much, Commissioner, for the information you have given us. We appreciate your being with us this morning.

Those are all the witnesses scheduled for this hearing and the committee will now stand adjourned.

(Thereupon, at 11:40 a.m., May 11, 1959, the hearing was adjourned.)

ADDITIONAL CIVILIAN POSITIONS FOR THE DEFENSE DEPARTMENT

HEARING
BEFORE THE
SUBCOMMITTEE ON CIVIL SERVICE
OF THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
UNITED STATES SENATE
EIGHTY-SIXTH CONGRESS
FIRST SESSION
ON °

H.R. 6059

AN ACT TO PROVIDE ADDITIONAL CIVILIAN POSITIONS
FOR THE DEPARTMENT OF DEFENSE FOR PURPOSES OF
SCIENTIFIC RESEARCH AND DEVELOPMENT RELATING
TO THE NATIONAL DEFENSE, TO IMPROVE THE MANAGE-
MENT OF THE ACTIVITIES OF SUCH DEPARTMENT
AND FOR OTHER PURPOSES

JULY 23, 1959

Printed for the use of the Committee on Post Office and Civil Service



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ADDITIONAL CIVILIAN POSITIONS FOR THE DEFENSE DEPARTMENT

THURSDAY, JULY 23, 1959

U.S. SENATE,
CIVIL SERVICE SUBCOMMITTEE,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:40 a.m., in room 6202, New Senate Office Building, Hon. Ralph W. Yarborough, presiding.

Present: Senator Yarborough.

Also present: H. W. Brawley, executive director; J. Don Kerlin, assistant staff director; and Frank A. Paschal, professional staff member.

Senator YARBOROUGH. The Civil Service Subcommittee will come to order.

The Civil Service Subcommittee is meeting this morning to hear testimony on H.R. 6059, an act to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense and to improve the management of the activities of such Department and for other purposes.

On March 13, 1959, the Honorable Donald A. Quarles, the then Deputy Secretary of Defense, requested this committee through the President of the Senate to consider similar legislation.

Since the House on July 7 passed the bill as submitted by the then Deputy Secretary of Defense with amendments, the hearings this morning will be concerned with the House language as contained in H.R. 6059.

The bill as originally introduced authorized the Secretary of Defense to place a total of 372 positions in the Department in grades 16, 17, and 18 of the general schedule, subject to the procedures prescribed by section 505 but not to the ceilings imposed by subsection (b) of that section; and also to reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole.

It would have increased from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in the Department of Defense under Public Law 313.

The proposal as amended by the House of Representatives would grant the request of the Department of Defense except that it would place restrictions so that the total number of positions would not be finally authorized or reached until July 1, 1961.

It is to these restrictions that I wish to direct the attention of the witnesses here this morning.

We have as witnesses today the Honorable Charles C. Finucane, Assistant Secretary of Defense (Manpower, Personnel, and Reserve), Department of Defense, accompanied by Leon L. Wheelless, staff director, Civilian Personnel Policy, Office of the Assistant Secretary of Defense; the Honorable Frederick J. Lawton, Commissioner, U.S. Civil Service Commission; and Mr. Richard L. Tedrow, Chief Commissioner of the U.S. Court of Military Appeals.

At this time I will place in the record the request of the Deputy Secretary of Defense, the Honorable Donald A. Quarles, for the original legislation. That will be ordered printed in full at this point.

I will also order printed H.R. 6059, that being the amended version passed by the House of Representatives on July 6, 1959.

Following the bill will appear the report of the House of Representatives on this measure, entitled "Report No. 597, 86th Congress, 1st Session, Additional Administrative and Scientific Research and Development Positions for the Department of Defense."

(The documents referred to above are as follows:)

THE SECRETARY OF DEFENSE,
Washington, D.C., March 13, 1959.

HON. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes.

This proposal is a part of the Department of Defense legislative program for 1959 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

Section 1(a) of the bill would amend section 505 of the Classification Act of 1949 (5 U.S.C. 1105) by adding a new subsection which would:

(1) Authorize the Secretary of Defense to place a total of 372 positions in the Department in grades 16, 17, and 18 of the General Schedule, subject to the procedures prescribed by section 505 but not to the ceilings imposed by subsection (b) of that section; and

(2) Reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole, such reduction to be the number of such positions allocated out of that total to the Department of Defense as of the enactment date of the bill.

Section 1(b) of the bill would protect the incumbents of existing GS-16, 17, and 18 positions in the Department of Defense until appropriate action is taken under the new authority which would be provided by section 1(a).

Section 2 of the bill would amend section 1581(a) of title 10, United States Code, as amended (generally referred to as Public Law 313) by increasing from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in the Department of Defense.

Section 3 of the bill would amend the first sentence of section 1582 of title 10, United States Code, by changing from December 31 to February 1 the date on which the Secretary of Defense is required to report to the Congress on scientific and professional positions established under section 1581, so as to permit the report to cover the entire preceding calendar year.

Heretofore, the Department of Defense has received its allotment of GS-16, 17, and 18 positions out of the number of such positions made available in section 505(b) of the Classification Act for allocation by the Civil Service Commission among the various departments and agencies of the Government. This situation has created for the Department two rather serious problems.

First, the Department of Defense, although it has many additional positions which the Civil Service Commission has recognized as properly allocable at the GS-16, or 17, or 18 level, has been unable to obtain from the general pool of positions authorized in section 505(b) a sufficient number to meet its needs. Although there has been some small increase in the total number of positions available to this Department as a result of the increase of 287 positions authorized by the Congress under section 505(b) in 1958, there were still some 200 positions in Defense which the Commission recognized as being at the supergrade level but for which spaces were not available.

Second, and of equally serious concern, is the fact that the Department of Defense cannot count on the continued availability of even its present number of GS-16, 17, and 18 positions. The Civil Service Commission has consistently held that it cannot allot a quota of these positions to any agency, under existing language of the Classification Act. This means that when a GS-16, 17, or 18 position in the Department of Defense becomes vacant, the Commission must make a determination as to the relative needs of Defense and other Federal agencies for that position. Since it does not necessarily follow that Defense will keep the position, the situation created is one of uncertainty and difficulty in planning to meet needs for top-level personnel.

The authority provided in this legislation to permit the Secretary of Defense to have a specific number of GS-16, 17, and 18 positions for the Department of Defense will permit better planning and better utilization of these spaces. It will also provide a modest increase of 62 positions over the number now available and thus permit more equitable treatment for top management and executive personnel in the Department. The Civil Service Commission would still be required to review and approve any proposed allocation of a position to one of these grades, before that allocation could be given effect in the Department. Thus existing procedures in this regard would not be changed.

The proposed legislation also contains a provision for reducing the number of GS-16, 17, and 18 positions made available for general distribution by the Civil Service Commission under subsection 505(b) of the Classification Act. This reduction would be equal to the number of such positions allocated to the Department of Defense under that subsection at the time the legislation is enacted. Thus, the overall number of GS-16, 17, and 18 positions available for other Government agencies would not be increased by the grant of special authority to the Secretary of Defense.

Intensification of research and development efforts in the Department of Defense has accelerated with recent international developments in this field, and particularly those having military application. Today, as never before, the Department must be able to command the best scientific talent available if it is to keep abreast in this vital area.

Availability of top-level scientific and professional positions such as were first authorized in the act of August 1, 1947, has been of tremendous benefit to the Department in retaining the caliber of scientific and engineering personnel it requires. These positions not only provide desirable flexibility for fixing pay within the range of \$12,500 to \$19,000 per year, but they also have a prestige value which is particularly appealing to personnel in these categories.

In 1958 the Department of Defense submitted to the Congress a legislative proposal to raise to 450 the number of these top-level scientific and professional positions which the Secretary of Defense might establish. In the Federal Employees Salary Increase Act of 1958 (Public Law 85-462), the Congress authorized 292 of these positions, which represented an increase of 172 over the number previously available, but was 158 less than the number requested.

The Department of Defense is renewing its request for 450 scientific and professional positions. This is the minimum number of these important spaces required to provide equitable treatment for scientists and engineers in positions of comparable significance and responsibility at the top levels throughout the Department.

The legislative proposal transmitted herewith will be of great benefit to the Department of Defense in overcoming many of the problems which it now faces with respect to top-level scientific and management personnel. It will enable the transfer of top-level scientists and engineers to positions which more appropriately recognize their peculiar skills and abilities and the character of the work they perform. It will provide the Department of Defense with a specific number of top management positions, in the three upper grades of the Classification Act, with the requisite flexibility to enable the Secretary of Defense to utilize the positions to maximum advantage.

ADDITIONAL POSITIONS FOR DEFENSE DEPARTMENT

Furthermore, enactment of this legislation will place the Department of Defense in a position to appear before and justify to the appropriate committees of the Congress its requirements for top-level positions, both scientific and management, without involving other Federal departments and agencies. It will also relieve the Civil Service Commission of the extremely difficult task of attempting to weigh objectively the urgency of the need in Defense for a given position as opposed to the needs of other agencies for their programs.

COST AND BUDGET DATA

The estimated added costs for a full year of the additional positions provided the Department of Defense by this bill would be \$131,000 if all the additional positions are filled through the year. The additional costs involved in this proposal can be absorbed in the Department of Defense appropriations.

Sincerely yours,

DONALD A. QUARLES, *Deputy.*

[H.R. 6059, 86th Cong., 1st sess.]

AN ACT To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), is amended by adding the following new subsection at the end thereof:

“(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule, as follows:

“(1) Not more than three hundred twenty-six such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

“(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

“(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961.”

(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act. The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(c) Nothing contained in this section shall affect any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (j) of section 505 of the Classification Act of 1949 as contained in the amendment made by subsection (a) of this section.

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows:

“(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel, except that—

“(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

"(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and
 "(3) Not more than four hundred fifty such positions shall be established on and after July 1, 1961."

SEC. 3. The first sentence of section 1582 of title 10, United States Code, is amended to read as follows: "The Secretary of Defense shall report to Congress not later than February 1 of each year on the number of positions established under section 1581 of this title during the immediately preceding calendar year."

Passed the House of Representatives July 6, 1959.

Attest:

RALPH R. ROBERTS, *Clerk.*

[H. Rept. 597, 86th Cong., 1st sess.]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 6059) to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

(1) Page 1, line 4, strike out "(5 U.S.C. 1105)" and insert in lieu thereof ", as amended (5 U.S.C. 1105),".

(2) Page 1, strike out line 6 and all that follows down through the period and quotation marks in line 2 on page 2 and insert in lieu thereof the following:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule, as follows:

"(1) Not more than three hundred twenty-six such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

"(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961.

(3) Page 2, immediately following the period in line 9, insert: "The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act."

(4) Page 2, strike out lines 20 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows:

"(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel, except that—

"(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

"(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than four hundred fifty such positions shall be established on and after July 1, 1961."

EXPLANATION OF AMENDMENTS

Amendment No. 1, which is technical only, adds the words "as amended" in referring to the Classification Act of 1949 in order to indicate the existence of prior amendments to that act and to continue the manner of referring to that act normally used by this committee in bills reported by the committee.

Amendment No. 2 provides a new subsection (j) for section 505 of the Classification Act of 1949, as amended, in lieu of the new subsection (j) proposed by the first section of the introduced bill. Such subsection (j) proposed by the introduced bill granted authority to the Secretary of Defense to place a total of 372 positions in the Department of Defense in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, in accordance with the standards and procedures of that act—an increase of approximately 69 in the number of positions in such grades allocated to the Department of Defense under existing law.

The new subsection (j) proposed by amendment No. 2 of the committee retains this authority of the Secretary of Defense to place a total of 372 positions in the Department of Defense in such grades (an identical increase of 69 positions) but imposes limitations on the immediate exercise of that authority, in accordance with the estimated future needs of such Department for such positions, by requiring that such increase shall be effected in three steps over a period of the first 3 fiscal years ending after the enactment of the bill.

Accordingly, the new subsection (j) proposed by amendment No. 2 provides that—

(a) Not more than 326 positions in the Department of Defense shall be in such grades during the period beginning on the date of enactment of the bill and ending on June 30, 1960—an initial increase of 23 new positions.

(b) Not more than 349 such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961—a second increase of 23 positions (the total increase over the 2-year period being 45 new positions).

(c) Not more than 372 such positions (the overall total number of such positions in the present and future under this amendment) shall be in such grades on and after July 1, 1961—a third increase of 23 positions (the total increase over the 3-year period being 68 new positions).

Amendment No. 2 will permit the careful and orderly selection and placement of positions and individuals in grades 16, 17, and 18 of the general schedule in accordance with existing and reasonably foreseeable estimated needs of the Department of Defense.

Amendment No. 3 adds a sentence to subsection (b) of the first section of the introduced bill in order to complete and perfect the policy contemplated by that subsection.

Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), provides, in effect, that the number of positions which may be fixed by a majority of the U.S. Civil Service Commissioners as the maximum number of positions which may be in grades 16, 17, and 18 of the general schedule at any one time shall not exceed 1,513 and that the maximum number of positions which may be placed in grades 17 and 18 at any one time shall not exceed 401 for grade 17 and 159 for grade 18.

Subsection (b) of the first section of the introduced bill provided that the maximum number of positions authorized for grades 16, 17, and 18 by such section 505(b) shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of the bill.

Amendment No. 3 proposed by the committee applies the same policy with respect to the maximum numbers of positions for grades 17 and 18 set forth in such section 505(b) by providing that the respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of the bill.

Amendment No. 3, therefore, provides assurance that the ratio existing immediately prior to the date of enactment of the bill between the total number of positions in grades 17 and 18 and the total number of positions in grades 16, 17, and 18 as authorized for the Government generally by section 505(b) of the Classification Act of 1949, as amended, will not be affected by reason of the enactment of the bill.

Amendment No. 4 rewrites the provisions of section 1581(a) of title 10 of the United States Code consistently with the policy set forth in amendment No. 2 with respect to the new subsection (j) of section 505 of the Classification Act of 1949, as amended.

Such section 1581(a) now authorizes the Secretary of Defense to establish not more than 292 civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that requires the services of specially qualified scientists or professional personnel.

Section 2 of the introduced bill increased from 292 to 450 the number of positions authorized by such section 1581(a)—an increase of 158 positions.

Amendment No. 4 rewrites such section 1581(a) so as to authorize the Secretary of Defense to establish not more than 450 civilian positions in the Department of Defense for the scientific research and development purposes described above (thus retaining the increase of 158 positions) but, as in the case of amendment No. 2, imposes limitations on the immediate exercise of that authority, in accordance with the estimated future needs of such Department for such positions, by requiring that such increase shall be effected in three steps over a period of the first 3 fiscal years ending after the enactment of the bill.

Accordingly, section 1581(a) of title 10 of the United States Code, as rewritten by amendment No. 4, provides that—

(a) Not more than 346 scientific research and development positions shall be established during the period beginning on the date of enactment of the bill and ending on June 30, 1960 an initial increase of 54 new positions.

(b) Not more than 400 such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961—a second increase of 54 positions (the total increase over the 2-year period being 108 new positions).

(c) Not more than 450 such positions shall be established on and after July 1, 1961—a third increase of 50 positions (the total increase over the 3-year period being 158 new positions).

Amendment No. 4, like amendment No. 2, will permit the careful and orderly establishment of civilian scientific research and development positions in the Department of Defense in accordance with existing and reasonably foreseeable estimated needs of the Department of Defense.

STATEMENT

PURPOSE

The general purpose of this legislation is to increase the numbers of supergrade positions (positions in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended) and scientific research and development positions (positions first authorized by Public Law 313, 80th Cong.) in the Department of Defense. Approximately 69 additional supergrade positions and 158 additional scientific research and development positions will be authorized. The additional positions will be made available in three periods extending up to fiscal year beginning July 1, 1961, as more fully discussed in the section-by-section explanation of the bill.

SUPERGRADE POSITIONS

The increase in supergrade positions will be accomplished by an amendment to section 505 of the Classification Act of 1949 authorizing the Secretary of Defense to place the appropriate numbers of positions in such grades during the periods specified in the bill. This authority of the Secretary of Defense will be subject to the standards and procedures prescribed by the Classification Act, as in the case of authority previously granted the Comptroller General of the United States with respect to similar positions in the General Accounting Office.

This new authorization for the Secretary of Defense will replace the present authority of law under which the Civil Service Commission allocates supergrade positions to the Department of Defense out of the total number of supergrade positions which the Commission is authorized to allocate throughout the Government. In turn, the total number of positions which the Commission presently is authorized to allocate throughout the Government will be reduced by the number of such positions it has allocated to the Department of Defense immediately before this legislation takes effect.

The Civil Service Commission on June 1, 1959, had allocated 303 supergrade positions to the Department of Defense, compared to the maximum total of 372 such positions to be made available to the Secretary of Defense by this bill. The

difference of 69 positions represents the increase authorized by this legislation. Of these 69 new positions, 23 will be made available in the period beginning on the date of enactment of the bill and ending June 30, 1960; 23 more will be made available during the fiscal year ending June 30, 1961; and the final 23 will be made available on and after July 1, 1961.

The present distribution of the 303 supergrade positions allocated by the Civil Service Commission to the Department of Defense is about 10 percent in grade 18, 30 percent in grade 17, and the remainder in grade 16. It is the intent and purpose of the committee, in recommending this legislation, that this existing relationship in numbers of positions in the several general schedule grades concerned be maintained as closely as possible in the placement of positions in such grades by the Secretary of Defense under the new authority provided by this legislation. The Department of Defense has given its assurance to the committee that it will carry out this intent and purpose and that in the future it will adhere as closely as possible to the existing proportions of positions in grades 17 and 18.

The committee emphasizes the fact that under this bill the specific requirement (contained in sec. 505(a) of the Classification Act of 1949), that no position shall be placed in grades 16, 17, or 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners, remains in effect.

SCIENTIFIC RESEARCH AND DEVELOPMENT POSITIONS

The 158 additional scientific research and development positions authorized by this legislation will increase the existing total of 292 such positions in the Department of Defense to a new total of 450. The increase will be accomplished in three steps, as in the case of the increase in supergrade positions, with 54 additional positions made available during the period ending June 30, 1960, 54 more during the year ending June 30, 1961, and the final 50 on and after July 1, 1961. The qualifications of a proposed appointee to any such position, as well as his proposed annual salary, are subject to approval by the Civil Service Commission.

The salary rates of the scientific research and development positions range from \$12,500 to \$19,000 per year, thus providing a measure of flexibility in selecting and fixing the compensation of specially qualified scientific research and development personnel. This flexibility is necessary because job content cannot be rigidly prescribed in many of the research and development areas for which the Department of Defense is responsible. Likewise, there has been no criticism of the manner in which this flexible authority has been used by the Department for the past 12 years. It is the committee's purpose and intent that this legislation be administered in the same manner as similar authority has been administered in the past. Assurance to that effect has been obtained from the Department of Defense.

STUDY OF POSITION CHANGES

As emphasized in House Document 2706 of the 85th Congress, entitled "Legislative Control of Federal Positions and Salaries," this committee for some time has been concerned with the inflationary trends in the grades and salaries of Federal employees. There has been a noticeable trend not only in the upgrading of existing positions, but also in the creation of new positions, especially in grades 9 through 15. The committee's Manpower Utilization Subcommittee for some time has been studying these trends in the Department of Defense as well as elsewhere in the Government. The study discloses that the establishment of supergrade positions has been one of the major factors in the upgrading of existing positions and the creation of additional positions below the supergrade level. The new supergrade jobs have been the basis in the past for new deputies, administrative assistants, personal secretaries, and other additional positions all down the line. Department of Defense officials have been informed that they will be expected to hold such personnel actions to a minimum under this legislation. The Subcommittee on Manpower Utilization also will watch the personnel changes in the Department of Defense and report its findings to the committee as frequently as may be necessary and practical.

PUBLIC HEARINGS

Representatives of the Department of Defense and the Civil Service Commission testified in favor of this legislation at an open hearing on May 11, 1959. There was no unfavorable testimony.

It was pointed out in the hearing that the ratio of these top positions to total civilian employment is considerably less in the Department of Defense than in most civilian departments and agencies. Likewise, two of the basic reasons advanced by the Assistant Secretary of Defense, Hon. Charles C. Finucane, for additional research and development positions were the expansion which has been taking place in the research and development programs in the Defense Department and the increasing complexity and urgency of these programs. Mr. Finucane pointed out that the budget for research and development has increased from \$3.3 billion in the fiscal year 1956 to \$5.6 billion requested for the fiscal year 1960.

Secretary Finucane pointed out two basic problems with respect to supergrade positions which are of concern to the Department of Defense and which H.R. 6059 will, in his opinion, in a large measure alleviate.

The first of these is that the Civil Service Commission is now responsible for allocating to the various departments and agencies the positions authorized by Congress under section 505(b) of the Classification Act of 1949. This means that the Department of Defense does not have title to supergrade spaces which from time to time are allocated to it. Whenever a supergrade vacancy occurs, the Civil Service Commission must determine the relative urgency of the work for which the Department of Defense proposes to use the space as compared with requirements in other departments and agencies. According to Department of Defense officials, this situation makes it impossible for the Department to deal with the Post Office and Civil Service Committees of the Congress in terms of its requirements for supergrade positions without involving other departments and agencies of the Federal Government, which are not responsible for the maintenance of a national defense capable of repelling any armed attack.

The second problem which Mr. Finucane emphasized was the fact that there are not available for the Department of Defense enough grade GS-16, 17, and 18 spaces to meet requirements for positions at those levels which the Civil Service Commission, after a review of requests, has already agreed should be allocated to the Department.

SECTION-BY-SECTION EXPLANATION OF THE REPORTED BILL

1. ADDITIONAL SUPERGRADES FOR THE DEPARTMENT OF DEFENSE

Subsection (a) of the first section of the bill amends section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), to authorize the Secretary of Defense to place a total of 372 positions in the Department of Defense in grades 16, 17, and 18 of the general schedule of such act. This increases the current allocation of positions to these grades by approximately 69 positions. The additional positions will be made available in three steps, as follows: 23 during the period beginning with the date of enactment of this bill and ending June 30, 1960; 23 more during the fiscal year ending June 30, 1961; and the final 23 on and after July 1, 1961.

Subsection (b) of the first section of this bill provides that the total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the general schedule of such act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the enactment of this bill. This subsection also provides that the respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such general schedule at any time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this legislation.

Subsection (c) of the first section of the bill continues in effect all positions existing immediately before enactment of this bill, and the compensation and other rights affecting the incumbents thereof, until the Secretary of Defense takes appropriate action, under the new authority contained in the bill, to place the positions in his Department.

2. ADDITIONAL SCIENTIFIC RESEARCH AND DEVELOPMENT POSITIONS FOR THE DEPARTMENT OF DEFENSE

Section 2 of the bill amends section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213) and amended by section 3 of the act of May 29, 1959 (73 Stat. 63; Public Law 86-36), in that it authorizes the Secretary of Defense to establish 450 scientific research and development positions in the Department of Defense.

This represents an increase of 158 over prior authorizations for such positions. The additional positions will be made available in three steps, as follows: 54 during the period ending June 30, 1960; 54 more during the period July 1, 1960, to June 30, 1961; and the final 50 on and after July 1, 1961.

3. REPORTS TO THE CONGRESS

Section 3 of the bill continues in effect the existing requirement of law for reports to the Congress on the number of scientific research and development positions in the Department of Defense but changes the reporting date so as to permit submittal of complete information covering the entire preceding calendar year.

COST DATA

It was generally agreed that the increase in cost would amount to about \$750 per year for each additional position created by this legislation. The approximate cost, therefore, will not exceed \$55,000 for the period beginning with the date of enactment and ending June 30, 1960; \$110,000 for the fiscal year 1961; and \$175,000 for each fiscal year thereafter. However, Department of Defense officials have stated that the costs involved can be absorbed in the Department of Defense appropriations.

REPORTS FROM EXECUTIVE DEPARTMENTS AND AGENCIES

The official request of the Department of Defense, and the favorable reports of the Bureau of the Budget and the Civil Service Commission, follow.

THE SECRETARY OF DEFENSE,
Washington, March 13, 1959.

HON. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: There is forwarded herewith a draft of legislation to provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes.

This proposal is a part of the Department of Defense legislative program for 1959 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

Section 1(a) of the bill would amend section 505 of the Classification Act of 1949 (5 U.S.C. 1105) by adding a new subsection which would—

(1) Authorize the Secretary of Defense to place a total of 372 positions in the Department in grades 16, 17, and 18 of the General Schedule, subject to the procedures prescribed by section 505 but not to the ceilings imposed by subsection (b) of that section; and

(2) Reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole, such reduction to be the number of such positions allocated out of that total to the Department of Defense as of the enactment date of the bill.

Section 1(b) of the bill would protect the incumbents of existing GS-16, 17, and 18 positions in the Department of Defense until appropriate action is taken under the new authority which would be provided by section 1(a).

Section 2 of the bill would amend section 1581(a) of title 10, United States Code, as amended (generally referred to as Public Law 313), by increasing from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in the Department of Defense.

Section 3 of the bill would amend the first sentence of section 1582 of title 10, United States Code, by changing from December 31 to February 1 the date on which the Secretary of Defense is required to report to the Congress on scientific and professional positions established under section 1581, so as to permit the report to cover the entire preceding calendar year.

Heretofore, the Department of Defense has received its allotment of GS-16, 17, and 18 positions out of the number of such positions made available in section 505(b) of the Classification Act for allocation by the Civil Service Commission

among the various departments and agencies of the Government. This situation has created for the Department two rather serious problems.

First, the Department of Defense, although it has many additional positions which the Civil Service Commission has recognized as properly allocable at the GS-16, 17, or 18 level, has been unable to obtain from the general pool of positions authorized in section 505(b) a sufficient number to meet its needs. Although there has been some small increase in the total number of positions available to this Department as a result of the increase of 287 positions authorized by the Congress under section 505(b) in 1958, there were still some 200 positions in Defense which the Commission recognized as being at the supergrade level but for which spaces were not available.

Second, and of equally serious concern, is the fact that the Department of Defense cannot count on the continued availability of even its present number of GS-16, 17, and 18 positions. The Civil Service Commission has consistently held that it cannot allot a quota of these positions to any agency, under existing language of the Classification Act. This means that when a GS-16, 17, or 18 position in the Department of Defense becomes vacant, the Commission must make a determination as to the relative needs of Defense and other Federal agencies for that position. Since it does not necessarily follow that Defense will keep the position, the situation created is one of uncertainty and difficulty in planning to meet needs for top level personnel.

The authority provided in this legislation to permit the Secretary of Defense to have a specific number of GS-16, 17, and 18 positions for the Department of Defense will permit better planning and better utilization of these spaces. It will also provide a modest increase of 62 positions over the number now available and thus permit more equitable treatment for top management and executive personnel in the Department. The Civil Service Commission would still be required to review and approve any proposed allocation of a position to one of these grades, before that allocation could be given effect in the Department. Thus existing procedures in this regard would not be changed.

The proposed legislation also contains a provision for reducing the number of GS-16, 17, and 18 positions made available for general distribution by the Civil Service Commission under subsection 505(b) of the Classification Act. This reduction would be equal to the number of such positions allocated to the Department of Defense under that subsection at the time the legislation is enacted. Thus, the overall number of GS-16, 17, and 18 positions available for other Government agencies would not be increased by the grant of special authority to the Secretary of Defense.

Intensification of research and development efforts in the Department of Defense has accelerated with recent international developments in this field, and particularly those having military application. Today, as never before, the Department must be able to command the best scientific talent available if it is to keep abreast in this vital area.

Availability of top level scientific and professional positions such as were first authorized in the act of August 1, 1947, has been of tremendous benefit to the Department in retaining the caliber of scientific and engineering personnel it requires. These positions not only provide desirable flexibility for fixing pay within the range of \$12,500 to \$19,000 per year, but they also have a prestige value which is particularly appealing to personnel in these categories.

In 1958 the Department of Defense submitted to the Congress a legislative proposal to raise to 450 the number of these top level scientific and professional positions which the Secretary of Defense might establish. In the Federal Employees Salary Increase Act of 1958 (Public Law 85-462, the Congress authorized 292 of these positions, which represented an increase of 172 over the number previously available, but was 158 less than the number requested.

The Department of Defense is renewing its request for 450 scientific and professional positions. This is the minimum number of these important spaces required to provide equitable treatment for scientists and engineers in positions of comparable significance and responsibility at the top levels throughout the Department.

The legislative proposal transmitted herewith will be of great benefit to the Department of Defense in overcoming many of the problems which it now faces with respect to top level scientific and management personnel. It will enable the transfer of top level scientists and engineers to positions which more appropriately recognize their peculiar skills and abilities and the character of the work they perform. It will provide the Department of Defense with a specific number of top management positions, in the three upper grades of the Classification Act,

with the requisite flexibility to enable the Secretary of Defense to utilize the positions to maximum advantage.

Furthermore, enactment of this legislation will place the Department of Defense in a position to appear before and justify to the appropriate committees of the Congress its requirements for top level positions, both scientific and management, without involving other Federal departments and agencies. It will also relieve the Civil Service Commission of the extremely difficult task of attempting to weigh objectively the urgency of the need in Defense for a given position as opposed to the needs of other agencies for their programs.

COST AND BUDGET DATA

The estimated added costs for a full year of the additional positions provided the Department of Defense by this bill would be \$131,000 if all the additional positions are filled through the year. The additional costs involved in this proposal can be absorbed in the Department of Defense appropriations.

Sincerely yours,

DONALD A. QUARLES, *Deputy.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 8, 1959.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives,
Old House Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your requests of March 31 for the Bureau of the Budget's views relative to H.R. 6059 and H.R. 6065. These are identical bills to increase the number of GS-16, 17, and 18 and Public Law 313 positions in the Department of Defense.

The Bureau recommends enactment of this proposal. The Department of Defense needs more positions at these high levels than are authorized under existing legislation and more than can be allocated from the general pool of GS-16, 17, and 18 positions currently authorized. H.R. 6059 and H.R. 6065 embody the most direct method of meeting the Department's needs.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 30, 1959.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. MURRAY: This is in further reply to your letters of March 31, 1959, requesting our views and comments on H.R. 6059 and H.R. 6065, identical bills to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

Section 1 of H.R. 6059 (and H.R. 6065) would—

(a) Amend section 505 of the Classification Act to authorize the Secretary of Defense, subject to the standards and procedures of that act including prior approval of the Civil Service Commission, to place a total of 372 positions in grades 16, 17, and 18 of the general schedule;

(b) Reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole by the number of positions in such grades allocated to the Department of Defense immediately prior to the enactment date of the bill; and

(c) Provide protection against any change for existing positions and incumbents until appropriate action is taken under the new authority ((a) above).

Section 2 would increase from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in that Department under title 10, United States Code, section 1581(a), as amended (generally referred to as Public Law 313). Under that act each such position is

established to effectuate those research and development functions, relating to the national defense, military and naval medicine, and all other activities of the Department of Defense which require the services of specially qualified scientific or professional personnel. The qualifications of appointees and salary, within the range of \$12,500-\$19,000, are subject to approval by the Civil Service Commission.

Section 3 would change from December 31 to February 1 the date on which the Secretary of Defense is required to report to the Congress on the scientific and professional positions established under title 10, United States Code, section 1581, so as to permit the report to cover the entire preceding calendar year.

The Commission favors enactment of H.R. 6059.

The limitations prescribed by section 505(b) of the Classification Act on the number of GS-16, 17, and 18 positions available for agencywide distribution are such that many positions in the Department of Defense recognized as properly allocable to such grades cannot be so classified by the Civil Service Commission. H.R. 6059 would provide some relief in this respect.

The Commission wishes to emphasize, and it would be helpful if the committee's report on the bill would so indicate, that the language "subject to the standards and procedures prescribed by this Act" appearing in section 1(a) of H.R. 6059 refers to the specific requirement in section 505(a) of the Classification Act that no position shall be placed in grades 16, 17, and 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

Research and development activities in the Department of Defense have become even more important in view of international developments. It is essential to the national defense and welfare that the Department have the means by which it can command the best scientific talent available. The Commission believes that enactment of H.R. 6059 would be a major step in this direction.

We have been advised by the Bureau of the Budget that it has no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROGER W. JONES, *Chairman.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 505 OF THE CLASSIFICATION ACT OF 1949 (5 U.S.C. 1105)

SEC. 505. (a) No position shall be placed in grade 16, 17, or 18 of the General Schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed fifteen hundred and thirteen) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed four hundred and one for grade 17 and one hundred and fifty-nine for grade 18.

(c) The number of positions of senior specialists in the Legislative Reference Service of the Library of Congress allocated to grades 16, 17, and 18 of the General Schedule by reason of the proviso contained in section 203(b)(1) of the Legislative Reorganization Act of 1946 (60 Stat. 836; 2 U.S.C., sec. 166(b)(1)) shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(d) The Comptroller General of the United States is authorized, subject to the procedures prescribed by this section, to place a total of twenty-five positions in the General Accounting Office in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(e) The Director of the Federal Bureau of Investigation, United States Department of Justice, is authorized, without regard to any other provision in this section, to place a total of seventy-five positions in the Federal Bureau of Investi-

gation in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The National Security Council is authorized, subject to the procedures prescribed by this section, to place two additional positions in grade 18, one additional position in grade 17, and two additional positions in grade 16 of the general schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The Director of the Administrative Office of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(g) The Commissioner of Immigration and Naturalization is authorized to place a total of eleven positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades. Such reduction shall be deemed to have occurred in the following order: first, from any number specifically authorized for such agency under this section, and second, from the maximum number of positions authorized to be placed in such grades under subsection (b) irrespective of the agency to which such positions are allocated.

(i) Appointments to positions in grades 16, 17, and 18 of the General Schedule shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees, except that this subsection shall not apply to those positions—

(1) provided for in subsection (e) of this section;

(2) to which appointments are made by the President alone or by the President by and with the advice and consent of the Senate; and

(3) for which the compensation is paid from (A) appropriations for the Executive Office of the President under the headings "The White House Office", "Special Projects", "Council of Economic Advisers", "National Security Council", "Office of Defense Mobilization", and "President's Advisory Committee on Government Organization", or (B) funds appropriated to the President under the heading "Emergency Fund for the President, National Defense" by the General Government Matters Appropriation Act, 1959, or any subsequent Act making appropriations for such purposes.

(j) *The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule.*

SECTIONS 1581(a) AND 1582 OF TITLE 10 OF THE UNITED STATES CODE

§ 1581. Appointment: professional and scientific services

(a) The Secretary of Defense may establish not more than [two hundred and ninety-two] *four hundred and fifty* civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

§ 1582. Professional and scientific service: reports Congress on appointments

The Secretary of Defense shall report to Congress *not later than February 1* of each [calendar] year on the number of positions established under section 1581 of this title during [that] *the immediately preceding* calendar year. The report shall list the name, rate of compensation, functions, and qualifications of each incumbent. However, the Secretary may omit any item if he considers that a full public report on it would be detrimental to the national security. In such a case, he shall present the information, in executive session, to such committees of the Senate and the House of Representatives as are designated by the presiding officers of those bodies.

Senator YARBOROUGH. Secretary Finucane, just proceed in your own manner.

STATEMENT OF HON. CHARLES C. FINUCANE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER, PERSONNEL, AND RESERVE), DEPARTMENT OF DEFENSE, ACCOMPANIED BY LEON L. WHEELLESS, STAFF DIRECTOR, CIVILIAN PERSONNEL POLICY, OFFICE OF ASSISTANT SECRETARY OF DEFENSE (MANPOWER, PERSONNEL, AND RESERVE)

Mr. FINUCANE. Thank you, Mr. Chairman. I have a fairly short prepared statement, some six pages, which analyzes the bill and the present status of it. With your permission, Mr. Chairman, I shall read it.

Senator YARBOROUGH. We will be glad to hear it, sir.

Mr. FINUCANE. Mr. Chairman, I appreciate this opportunity to discuss with you the provisions of H.R. 6059, which is legislation of vital interest to the Department of Defense in providing a more adequate number of top level scientific, professional, and executive positions.

In the act of August 1, 1947—generally referred to as Public Law 313—the Congress recognized the necessity for offering more appropriate salaries to specially qualified scientists in the defense program, and for providing flexibility in selecting and fixing the rates of pay for these scientists. This law permits appointments without competitive examination and authorizes pay to be fixed within a range of \$12,500 and \$19,000 a year. The qualifications of a proposed appointee, as well as his proposed annual salary, are subject to approval by the Civil Service Commission.

The legislation contained in Public Law 313, as amended, has been particularly helpful to the Department of Defense. It has not only permitted higher pay for scientists, but it has made possible the establishment of rates of pay for specially qualified scientists which take into consideration the qualifications of the individual as well as the requirements of the job.

Such flexibility is highly desirable because job content cannot be rigidly prescribed for many top level positions involving research and development functions. In these positions, the ability of the incumbent determines to a considerable extent the nature and content of the job.

While Public Law 313 has been valuable, however, the number of positions which it authorized has been too small to meet the actual needs of the Department of Defense largely because of the expansion which has been taking place in the research and development activities of the Department. The budget for research and development in fiscal 1956 was \$3.3 billion. The comparable budget request for research, development, test, and engineering in the fiscal 1960 budget was nearly \$5.6 billion.

An equally compelling reason for more Public Law 313 positions is the steadily increasing complexity and urgency of these programs. Existing requirements for the development of missiles and test vehicles for the expanding guided missile programs, for military space programs, for new nuclear weapon applications, for many new types

of combat and support aircraft and for experimental ships of many classes have all created a pressing need for the highest possible technical leadership in the Department of Defense.

In the face of extremely attractive salary and other inducements being offered by private industry many of our scientists are staying with the Department of Defense at considerable personal sacrifice because of their keen interest in the projects in which they are engaged and their dedication to the defense effort. But they do want comparable recognition with their fellows in the Department who are doing comparable work. We should not be forced to ask any of them to accept less than comparable recognition because of the lack of a sufficient number of high-level scientific and professional positions to satisfy legitimate requirements.

In 1958 the Department of Defense submitted legislation to increase to 450 the number of Public Law 313 positions available to it. This request was incorporated by the Senate in the Federal Employees Salary Increase Act of 1958, but in the final passage of this act the figure was reduced to 292. H.R. 6059 provides to the Department of Defense the 450 Public Law 313 positions requested in 1958, but divides the increase over the existing 292 positions into three installments. Upon enactment, 346 positions would be available; in fiscal year 1961, the number would be 400; and in fiscal year 1962 the full 450 would be available.

Full information as to Department of Defense requirements for Public Law 313 positions has been made available to this committee. In your review of this material you will note that these positions involve duties of broad scope. Men holding such positions as technical directors of the air development centers, chief scientists of the Signal Corps laboratories, and the technical directors of naval ordnance laboratories must be of the highest caliber if we are to get the results we are seeking from our research, and if the billions of dollars being spent on research and development activities are to be administered most effectively. Failure to recognize properly the importance of these positions could be a very bad type of extravagance.

I should now like to discuss some of the problems of the Department of Defense with respect to the top management positions represented by the three highest grades under the Classification Act, popularly referred to as "supergrades".

There are two problems with respect to GS-16, 17, and 18 positions which are of concern to the Department of Defense and which H.R. 6059 can in large measure alleviate. The first of these is that the Civil Service Commission is responsible for allocating to the various departments and agencies the positions authorized by the Congress under section 505(b) of the Classification Act, and Defense does not have title to the spaces which may from time to time be allocated to it and therefore cannot make the most effective use of those spaces within the Department.

Whenever a GS-16, 17, or 18 space in the Department of Defense become vacant, the Commission must determine the relative urgency of the position for which Defense proposes to use that space as compared with requirements for positions at the same level in other agencies. Many times this Department loses supergrades as a result.

Incidentally, I might say that since this bill has been under consideration the Department has lost 12 of these spaces, 7 in the Navy and 5 in the Army, through this avenue.

This situation presents problems to the Department of Defense as the largest of the Federal departments, and it places upon the Civil Service Commission an extremely difficult task of attempting to weigh objectively the needs of Defense against the needs of other agencies. Furthermore, it makes it impossible for the Department of Defense to deal with the Post Office and Civil Service Committees of the Congress in terms of its requirements for these GS-16, 17, and 18 positions, without involving other departments and agencies.

H.R. 6059 would correct the existing situation by giving to the Secretary of Defense, for exclusive use by the Department of Defense, the number of GS-16, 17, and 18 positions which the Department now has out of the governmentwide total authorized under section 505(b) of the Classification Act. At the same time it would reduce the number of GS-16, 17, and 18 positions authorized in section 505(b) by the number which are allocated to the Department of Defense.

The second problem which concerns the Department of Defense is that there are not available to it enough GS-16, 17, and 18 spaces to meet requirements for positions which the Civil Service Commission has agreed merit allocation at these levels.

The most effective and efficient management of the Department of Defense demands the best talent obtainable. Ability to use GS-16, 17, and 18 allocations whenever appropriate is not only of considerable assistance to the Department in meeting outside competition for this talent, but it is also necessary to assure equitable treatment of employees under the provisions of the Classification Act of 1949.

A basic principle of the Classification Act is "equal pay for substantially equal work." This is a sound principle of compensation. But it fails when statutory ceilings provide insufficient spaces at the GS-16, 17, and 18 levels to accommodate all the positions which merit allocation to those grades.

H.R. 6059 would provide some relief to the Department of Defense in this respect by increasing to 372 the number of GS-16, 17, and 18 spaces available to the Department. As in the case of the Public Law 313 positions, this ultimate total of 373 GS-16, 17, and 18 positions would be reached in three stages: 326 upon enactment of the legislation, 349 in fiscal 1961, and 372 in fiscal 1962. Each of these 372 spaces can be accounted for either as a currently authorized position, or as a position which has been reviewed by the staff of the Civil Service Commission and which, in their opinion, merits allocation at this level. Detailed information on these positions has also been prepared and made available to the committee, Mr. Chairman.

H.R. 6059 would continue with the Civil Service Commission the final authority for determining which positions merit allocation to grades GS-16, 17, and 18. No position in the Department of Defense could be placed in one of these grades if this bill is enacted without the prior approval by a majority of the Civil Service Commissioners. This fact, added to the careful screening given to proposed actions of this nature within the Department, seems to us to provide adequate safeguards against the misuse of any positions at these levels authorized by the Congress.

H.R. 6059 also changes the reporting provisions of Public Law 313 so as to authorize the Secretary of Defense to report to the Congress by February 1, rather than December 31 as required by present law, on positions established during the preceding year. This would permit the report of the Secretary to cover a full calendar year.

In conclusion, Mr. Chairman, a most important asset to the Department of Defense is the key scientific and executive personnel whose competence and ability so much affect the way in which the Department's mission is accomplished. These people merit equitable treatment in terms of position classification and pay, and I do not believe that the Government should deny such treatment to any of them because of too restrictive numerical ceilings on top level positions. H.R. 6059 will be of material assistance to the Department of Defense in relieving present restrictions, and I urge favorable consideration of this bill by this committee.

I thank you for your close attention, Mr. Chairman.

Senator YARBOROUGH. Thank you, Mr. Finucane. As a member of the Post Office and Civil Service Committee in 1958 after we had heard the testimony on the recommended Federal employees salary increase, I confess I was very much surprised that the bill that came back from the conference committee had cut down on the very categories of trained personnel that were shown through testimony to be the most critical. That was a considerable surprise, and I am not surprised at a request that that be remedied.

When you take an act that requires more appropriations for more expenditures, the first question we have is how much will it cost; how much will be the cost of that increase. That will be the first question to be asked of the committee.

Mr. FINUCANE. I believe it would be \$131,000 a year in 1962 when the final implementation will be effected.

Senator YARBOROUGH. The maximum will be \$131,000 more, that is, after the third year increase; it will not be that much the first year; it will be about \$30,000 the first year, but it reaches a total finally of \$131,000?

Mr. FINUCANE. That is right.

Senator YARBOROUGH. Does counsel have any questions?

Mr. BRAWLEY. I have just a few. You made a request for a total of 450 Public Law 313 positions in 1958. You were granted 292. Now, where are those people? Where are the people who represent the difference between the 292 and the 450? If you were in urgent need of these positions in 1958, they are still justified. Are these people now in the Department of Defense in the various divisions?

Mr. FINUCANE. No, sir, they are not all there. There are some there that are still either carried as a GS-16 or 17 who should probably be in Public Law 313 positions and many others are carried in lower grades than they are entitled to by their responsibilities, their experience and by their capabilities. The exact number I am sure we can make available to you.

Would you like to answer that?

Mr. WHEELLESS. In answer to Mr. Brawley's question, in reviewing these exact positions that are included in the material that has been supplied to the committee we found that about 80 percent of them are positions presently existing in the Department and presently either in a grade below GS-16 or in the case of the Public Law 313 types a goodly number of them are presently in grades GS-16 or 17. But roughly I would estimate that about 20 percent of these additional jobs would be presently unfilled.

Mr. BRAWLEY. If I understand the effect of the House amendment, these people that are already in these jobs and you say improperly

classified, have already had to wait a year and a half or 2 years for their promotion; under the House language some will have to wait another 3 years for promotion.

Mr. WHEELESS. It is true that the ultimate total number of jobs would not be available until July 1, 1961, which is about 2 years; so, your statement is correct insofar as we do not have enough spaces to take care of all of them before July 1, 1961. I would guess, however, that what we would probably do would be to use the spaces as they become available to take care of the most pressing of these needs out of the full requirements.

Mr. FINUCANE. I would like to add to that, if I may. We would like to have all these spaces at once, and if we had them all at once as we requested we would be able to alleviate the whole problem. The House in its good judgment has made it in three steps and if that is the consensus of the Congress, that is perfectly all right with us. It will simply, as you have pointed out, delay the complete implementation of the program.

The thing that concerns us greatly is the loss of our top people, and I have a list of examples here with me. We cannot afford to lose those. It wouldn't be fair to say that if we had been able to move them into their proper classifications they would all have stayed, because in every individual instance a man has a different reason for leaving. But it does distress us that they do leave, and anything that we can do to encourage them to stay, and this is an example of what we hope to be able to do, would certainly help the program on the whole.

We do not like to be and we cannot be a training ground for industry if we can possibly avoid it because it costs us too much money and too much time to train these men. Also if we are just on sort of a treadmill, it is very disruptive to our programs; so, it is our objective, of course, to make their life with us as attractive as we possibly can, and comparable to work outside.

Mr. BRAWLEY. You have stated in your opinion these positions were justified a year and a half ago. As the result of the step increase amendment in the House bill, will you lose some top research men and scientists in the Department of Defense?

Mr. FINUCANE. That would be a matter of conjecture. I am sure that some of our people leave for lack of proper recognition, and I am equally sure that they are more easily encouraged to go to private industry than if they had the proper salary and the proper recognition in the Department at the moment; yes, sir.

Mr. BRAWLEY. But you do feel without any reservations that you need all of the 450 positions now?

Mr. FINUCANE. We have those positions carefully documented. They are in the hands of the committee. They have been worked over many, many times, and we need them. We do indeed.

Mr. BRAWLEY. That is all I have, Mr. Chairman.

Senator YARBOROUGH. Are there any questions by the minority?

Mr. PASCHAL. No, sir.

Senator YARBOROUGH. Thank you, very much.

Mr. FINUCANE. Thank you for your consideration, Mr. Chairman. I appreciate it.

Senator YARBOROUGH. The next witness is the Honorable Frederick J. Lawton, Commissioner of the U.S. Civil Service Commission.

Commissioner Lawton, please bring any technical assistants that you wish to bring with you.

Mr. LAWTON. Mr. Ralph Remley is with me.

Senator YARBOROUGH. You may proceed.

**STATEMENT OF HON. FREDERICK J. LAWTON, COMMISSIONER,
U.S. CIVIL SERVICE COMMISSION; ACCOMPANIED BY RALPH
D. REMLEY, ASSISTANT TO THE DIRECTOR, BUREAU OF IN-
SPECTIONS AND CLASSIFICATION AUDITS, U.S. CIVIL SERVICE
COMMISSION**

Mr. LAWTON. Mr. Chairman, I have no prepared statement. I simply wish to endorse the statement Secretary Finucane made. The Commission reported favorably on this bill to the House committee by letter prior to its consideration in the House and also supported the bill in testimony. We did that because at the time of the survey of jobs in the top grades, which was made subsequent to the passage of the act increasing the number of supergrades, we found that there were some 200 jobs in the Department of Defense that were worth grade 16, 17, or 18 for which no spaces were available. And we also found that there were approximately 130 jobs currently in 16, 17, and 18 grades which belonged and could properly be placed under Public Law 313. So we feel that the Department of Defense has a real problem and that it has the spots, the positions, the slots available. The total number of positions, however, that are presently authorized are not sufficient to give them the jobs they need.

Under this bill as it passed the House, the total number of jobs under the control of the Civil Service Commission for allocation to supergrades for the rest of the Government will be reduced by the number allocated to Defense on the passage of the act.

As I said before, the Commission endorses the bill as it stands.

Senator YARBOROUGH. Thank you, Mr. Commissioner. I think this strengthens the case for the bill.

Does the staff have any questions?

Mr. BRAWLEY. Just one. From your total of 1,513 supergrade positions that you now have control of—

Mr. LAWTON. It is 1,483 as of today because the National Security Agency had 30 positions transferred to them. They were given a new authority similar to the authority that Defense is requesting, earmarking 50 positions for them, so that the 30 they had came out of the act. Currently, we have 1,483 positions.

Mr. BRAWLEY. What would be your new total?

Mr. LAWTON. 1,186.

Mr. BRAWLEY. And that represents the number of supergrades that you have allocated to the Department of Defense at the present time?

Mr. LAWTON. That would represent the number of supergrades that would be left after those allocated to the Department of Defense were reduced out of the 1,483. There are 297 currently allocated to the Department of Defense. There would be 1,186 positions under our control for departments other than the Department of Defense.

Senator YARBOROUGH. Are there any questions by the minority?

Mr. PASCHAL. Mr. Lawton, I understood you to say now, just for the record, that the Commission definitely approves H.R. 6059 as it passed the House.

Mr. LAWTON. We approve it as it passed the House. If we had a preference, we would think that the jobs should be made available all at once. But I do not believe that there is going to be a serious danger to the national defense if the phasing stands as it was passed by the House. It is not the best thing, but it is so important to get the number of jobs that I think we can accept the phasing.

Senator YARBOROUGH. Do you think it would be better, Commissioner Lawton, if they were all granted at this time?

Mr. LAWTON. I think that would be preferable, yes.

Senator YARBOROUGH. I have noted the total cost would be \$131,000 if all were granted now. We have slightly over 150 more positions; so, that would be a cost of less than \$1,000 per scientist per year if you grant it all at one time. It does not seem to me like that would be an excessive incentive to offer these scientists to stay in the service of the Government.

Mr. LAWTON. Certainly there is no objection to the bill on account of cost.

Senator YARBOROUGH. You think it would be better if it were all done at one time?

Mr. LAWTON. I think so.

Senator YARBOROUGH. I assume, Secretary Finucane, that would be your view also?

Mr. FINUCANE. Our request would be to grant them all at once.

Senator YARBOROUGH. Are there any further questions by the staff?

Mr. BRAWLEY. One more question. I am a little confused. You are supporting the request of the Department of Defense for these additional supergrades; yet, the Assistant Secretary of Defense tells the committee that 12 of these jobs have been taken away by you from the Department of Defense recently.

Mr. LAWTON. They were jobs, as I recall it, in which the work was transferred to Public Law 313, taking the position out of the supergrade area. The Department of Defense would then have to request a different type of position for allocation to a supergrade. In other words, when the position disappears from the supergrade area and goes to 313, obviously there is no longer anything that we can allocate in the classified or the GS area. It has to be a different job than the one that was formerly allocated.

In other words, when you switch a job, it does not exist there any more. It exists in a different place under different authority. So, that reduces the total number of GS jobs.

Mr. BRAWLEY. They must have had at least 200 requests pending for other supergrade allocations.

Mr. LAWTON. That is right. We are reviewing it in connection with a current review of several jobs. We have a number of spots that are currently available, about 40, that resulted from changes made when we distributed the additional numbers last year. As you distribute these numbers, move some jobs from 16 to 17, GS-16 spots become available. It is our practice to go through and allocate our jobs in the total group first; then, to take these jobs made available through upgradings and consider them in a second package.

The Defense Department's request will be considered in this package that is currently before the Commission along with those of other departments. It is possible that they may get some of those jobs back or all of them if the jobs that they have proved as important as other jobs that are competitive with them in other areas, in other agencies. It is a question of picking the best of grade 16 jobs that are requested and are before us. We have, of course, requests pending from other agencies, jobs that are evaluated as being worth supergrades, for which space up to this point has not been made available.

Mr. BRAWLEY. Even though the Commission has not yet made that kind of a determination, it still feels that the request here this morning is entirely justified?

Mr. LAWTON. Yes. If we had the spaces available, we would give them the whole 200. If the total number of spaces were available for all supergrades evaluated, we would feel bound to put them in grades that they are worth. But we are some 300 or more shy in total, 200 of which are Defense.

Senator YARBOROUGH. Thank you, Commissioner Lawton.

Before the next witness is called, Secretary Finucane, I believe in your testimony you said you had names there, if we wanted them, of people who had left Defense employment and that compensation did play a part. You didn't attempt to evaluate just what part and the complicated reasons why men change jobs, but without giving their names or where they went, could you give us the total number?

Mr. FINUCANE. During 1958, the Department of Defense lost 47 top-level people from supergrade and Public Law 313 positions. In addition there were many losses from the GS-15 positions.

Examples of those going to positions in private industry include the Assistant Director of the Ordnance Missiles Laboratory, Army, who went to an electronic firm; the Director of Countermeasures, Signal Corps Laboratory, Army, who went to Magnavox; two division directors from the Signal Corps Laboratory, Army, who went to the Radio Corp. of America; Deputy Chief Scientist, Strategic Air Command, who went to Analysis Services, Inc.; Chief Scientist of the Air Force, who went to Melpar, Inc., a local firm; the Chief Scientists of the Naval Missile Test Center and the Office of Naval Research both went to the Stromberg-Carlson Co.

I think, Mr. Chairman, you will realize that these people are extremely difficult to replace and in many instances need many years of training to do a job adequately; so, it is a very serious problem with us.

Senator YARBOROUGH. Now with regard to the 47 who left to take other employment, these losses were not due to retirement or illness. You are referring to losses because of other remunerative employment?

Mr. FINUCANE. That is correct for 36 of the 47.

Mr. BRAWLEY. Most of these people you mentioned have defense contracts?

Mr. FINUCANE. Yes, sir; all of them have defense contracts.

Mr. BRAWLEY. So, actually they are using defense money in hiring your people away?

Mr. FINUCANE. They are hiring away from us, indeed they are, for higher salaries. We must generalize, because each individual is motivated in a different way, and we are only conjecturing because I haven't discussed this matter with any of these men. I simply know that they have gone. It is trends that we have to talk about.

Senator YARBOROUGH. Mr. Secretary, from your experience in dealing with manpower and personnel, do you not feel that many people, possibly through the motive of patriotism, work for the Government at a much lower salary than they can secure in private industry, and that sometimes if they can just get a little more salary from the Government—5 or 10 percent—that that increase means the break-even point as to whether they can earn a living under present living conditions?

Mr. FINUCANE. The Government service is very rewarding, that is correct, Mr. Chairman. It has pension rights and other things that are very valuable to the individual and, of course, it is a great personal feeling of satisfaction working for the Government. So, people do work for the Government for substantially less than they can make in private industry. That is very much true in the armed services. But we want to give our Government people as close to the same kind of life which they would have on the outside as we possibly can, and I think H.R. 6059 is equitable law that moves along down the road to do that.

Senator YARBOROUGH. Thank you for your testimony.

The next witness is Mr. Richard Tedrow, Chief Commissioner of the U.S. Court of Military Appeals.

**STATEMENT OF RICHARD L. TEDROW, CHIEF COMMISSIONER,
U.S. COURT OF MILITARY APPEALS**

Mr. TEDROW. Mr. Chairman, I want to express my thanks for the committee's hearing on behalf of the court as a late starter, and I will explain the reasons for that. I would like to present to the chairman a letter from Chief Judge Quinn of the court in connection with this bill, together with an informal justification. May I give this to the reporter, sir, to be included in the record?

Senator YARBOROUGH. The letter from Chief Judge Robert E. Quinn, of the U.S. Court of Military Appeals, dated July 22, 1959, addressed to the Honorable Olin D. Johnston, chairman of the Committee on Post Office and Civil Service, together with the accompanying memorandum re H.R. 6059, will be received and ordered printed in full in the record.

(The documents are as follows:)

U.S. COURT OF MILITARY APPEALS,
Washington, D.C., July 22, 1959.

Hon. OLIN D. JOHNSTON,
*Chairman, Committee on Post Office and Civil Service,
U.S. Senate, Washington, D.C.*
(Attention: Hon. Ralph W. Yarborough, Chairman, Civil Service Subcommittee.)

DEAR SENATOR: The U.S. Court of Military Appeals requests that your committee give consideration to the allocation of two positions for the court in H.R. 6059, which was recently passed by the House and referred to your committee for action.

As chief judge, I urge that the two positions requested—one for the Chief Commissioner and the other for the clerk of the court—are fully justified. These two key officers were invaluable in the organization of the court in 1951 and have substantial responsibilities in insuring the successful and efficient day-to-day operations of the court.

I am attaching a detailed justification and will appreciate favorable consideration by the committee.

Sincerely yours,

ROBERT E. QUINN.

MEMORANDUM RE H.R. 6059

The U.S. Court of Military Appeals is vitally concerned in obtaining for its Chief Commissioner and the clerk of the court what it believes to be adequate compensation. Salary increases for these two officers of the court were approved in 1955 but the court has been unable to make such increases effective. This, therefore, is an effort to correct a situation which has existed for 4 years.

It is emphasized that this matter concerns only the internal operations of the court. In this regard it is noted that the Civil Service Commission asserts jurisdiction over the employees of the court although legislative and judicial employees are not ordinarily subject thereto. However, whether the commission is right or wrong is not now important. The court is here concerned solely with obtaining relief for its two chief officers.

The U.S. Court of Military Appeals, oftentimes referred to as the "GI court" is the final authority in a worldwide system of justice and has the highest caseload per judge of any Federal appeals court in the United States.¹ The court, in the performance of its duties, is required to give a de novo (civilian) review of the cases coming before it. The thoroughness of this review is best illustrated by the fact that out of 1,500 written opinions released to date, a total of approximately one-third has involved issues and errors which the court found on its own review and which were not raised by counsel petitioning the court for relief. The court feels that salaries commensurate with the high degree of skill required to operate and administer one of the busiest courts in the country must be paid to key employees in order to assure that justice will be rendered expeditiously in all cases coming before the court.

In regard to the court's negotiations with the Civil Service Commission in this matter, it might be noted that the Chief Commissioner was graded as a GS-16 in 1954, approximately 2 years after approval and request by the court. In addition, despite the court's steadfast insistence that it was an independent court, it was felt that justice to the employee was more important than any dispute with the Civil Service Commission. Therefore, in 1955 the court wrote the Commission, assuming jurisdiction arguendo, and requested two supergrades for the Chief Commissioner and the clerk of the court. This request was made in view of the substantial increase in the number of top jobs provided for in the 1955 act. Eight months later, the Commission replied stating that they were sorry but that no action could be taken in view of the limited number of supergrade positions, but that they would keep the court in mind. Again in June of 1958, because of the additional increase in the number of supergrades in the 1958 Salary Act, the court requested two supergrades. Four months later the Commission replied that they were sorry they could not accommodate the court. On neither occasion did the Commission make any assertion that the request and/or ratings were not justified.

This year the court attempted to obtain relief for the two officers by requesting the House Appropriations Committee to provide the necessary authority to effect the promotions but that committee, while completely in sympathy, suggested that the matter could be better handled by a legislative committee.

The only hope therefore for immediate relief is to include the court specifically in H.R. 6059, which passed the House and has been referred to the Senate Post Office and Civil Service Committee. This bill provides for a total of 227 super or "extra" grade positions in the Department of Defense as a whole. The court merely requests that two of these positions be reserved for it. Providing these two positions in the Defense bill would be in accord with the provisions of section 867 of title 10, which locates the court in the Department of Defense for administrative (housekeeping) purposes. It is noted that this arrangement is similar to that previously existing when the Department of Justice performed such administrative functions for all Federal courts. No request for relief was made in the House on H.R. 6059 due to the fact that the court then felt relief would be obtained in their appropriation bill.

In brief, the court would like the committee to add an amendment to H.R. 6059 by adding as subsection (4) of section 2(a) substantially the following: "(4) Provided that two of the said positions are hereby assigned to the United States Court of Military Appeals, as of the effective date of this Act, for allocation by the Court as salaries, as approved by the Court, not in excess of those provided

¹ The three-judge court is composed of Chief Judge Robert E. Quinn, former Governor and judge of the Superior Court of Rhode Island; Judge George W. Latimer, formerly of the Supreme Court of Utah; and Judge Homer Ferguson, former Senator from Michigan and Ambassador to the Philippines. The judges are compensated the same as Federal circuit court judges (\$25,500 per annum).

by law, and without regard to Civil Service approval of the rates." or whatever language the committee deems appropriate.

Mr. TEDROW. Allow me to apologize to the committee for the absence of the judges. We are in summer recess in the court. Our hearings commence again in September.

We were finally able to get a hold of Chief Justice Quinn by phone yesterday to receive authority to bring the letter of justification to the committee, sir.

In connection with our being late starters, I might say that this matter was not presented to the House committee that considered the bill that is before your committee, sir. The reason for that was that the particular relief we have requested, namely, the allocation of two positions to the court, we thought would be put into our appropriation bill. We understood that was the appropriate way a court would handle this situation.

The House Appropriations Committee reported the bill out and in substance they said, "We sympathize with you and we would like to see you helped, but we feel this is a problem for a legislative committee."

Senator YARBOROUGH. Now, the spaces that you seek, are they included in the bill as it passed the House?

Mr. TEDROW. No, sir.

Senator YARBOROUGH. You are asking for an amendment to the House bill?

Mr. TEDROW. We are asking for such amendment, if the committee approves, as would allow the Court of Military Appeals to have two positions allocated to it.

I might note at this point that under the Uniform Code of Military Justice, which is under title X, more particularly section 867, the U.S. Court of Military Appeals is, for purposes of administration, placed within the Department of Defense. It is an independent court, sir, and the Department of Defense has always maintained a hands-off attitude. We proceed in connection with our budgets, and I hope in connection with this bill, in a manner similar to the one the Department of Justice formerly handled, all budgets and appropriations for all U.S. courts, including the Supreme Court. The Justice Department used to do all their housekeeping services: prepared their budgets, kept their records, hired their marshals, their clerks to fix their paychecks. In substance, the Department of Defense does the same thing for us. It obviates our having a lot of routine bookkeeping personnel. They send us the people when we need to employ them. They send us our checks. They transmit our budget to the Congress. That is by way of explanation of why we would like to be included in this particular bill and not as some outsider coming in, sir.

The Department of Defense has steadfastly maintained a hands-off attitude insofar as the court is concerned. They have never tried to direct the court in any way. As a matter of fact, the Senate report on the Uniform Code said that the court was to be completely independent and not subject to control of the Department of Defense.

The court came into being in 1951, sir. It was what was to be a unique provision in the history of our military justice whereby a civilian court was to be the supreme court of last resort for all courts-martial cases in the military. These cases come to our court finally for what is a de novo review, a civilian review of every record. In

the 8 years that the court has been in existence we have had some 14,000 cases and have written some 1,500 opinions. The court has the highest caseload per judge of any appellate court in the United States.

In regards to our particular relief, I might say ordinarily subject only to the Congress the court has the inherent right to determine the status of its employees. We are in an unusual situation, a step-child, I guess, because of our administrative setup.

In 1955 the court determined that the importance of the two particular positions warranted substantially increased compensation. At that time the court, for the sake of argument, assumed jurisdiction in the Civil Service Commission, although courts in the judiciary and legislative are not ordinarily subject to the Commission. But the court wrote and asked for these jobs. The Commission replied later and said that they were unable to help us; they were sorry; they would see what could be done in the future.

We are not quarreling with the Commission, the Department of Defense, or anyone.

Again in 1958 the chief judge wrote again to the Commission, assuming jurisdiction *arguendo*, and asked the Commission for the assignment of two of these supergrades to the court. Chairman Ellsworth came back 2 or 3 months later and again said they would like to help us, but we just cannot do it as we do not have the jobs available.

We have tried to pursue every remedy we could through the Department of Defense, through the Commission, and most recently with the House Appropriations Committee, with the result that I indicated occurred there. They said: "take it to a legislative committee."

Our present situation is that we have literally no recourse of any present value unless your committee will see fit to give consideration to the court's request.

During these 4 years, there has been absolutely no change in regard to the approval of compensation of the two employees most particularly concerned. This, of course, is something that they will never recover, assuming the court is right in its determination, but I can only say that the court determined and has redetermined repeatedly during the last 4 years that this should be done, and the court, and more particularly the chief judge and the present associate judge, Judge Ferguson, have tried just every possible avenue.

If there are any questions that I can answer, I would be glad to do so. I do not have any prepared statement. We actually just got off the ground yesterday, when we found out there might be a possibility that this committee might hear from us. Our justification was very hastily prepared, but we have tried to present the story as best we can, sir.

Senator YARBOROUGH. Mr. Tedrow, this was not presented to the House during their hearings?

Mr. TEDROW. No, sir; it was not. We were before the Appropriations Committee, Senator.

Senator YARBOROUGH. This suggested amendment that you have offered would provide that two positions provided for in H.R. 6059 would be assigned to the U.S. Court of Military Appeals; you do not provide for two additional positions in your amendment?

Mr. TEDROW. May I suggest that is merely the substance of the amendment. We do not profess to be experts in legislation. We are not trying to rob the Department of Defense or anyone else. We would like two positions, Mr. Chairman, if we could possibly get them.

Senator YARBOROUGH. Would this be two of the type of supergrades that the Civil Service Commission considers in its 1,186 that it has for general distribution, aside from the regular Defense Department assignments?

Mr. TEDROW. No, Mr. Chairman. As a matter of fact, deliberately we tried to prepare the amendment so that it would come under the second part of the bill whereby it allows for scientific and other special personnel in connection with the particular duties. I do understand that in the past, I think the space agency for one and one or two others have been included for professional personnel in that type of amendment.

We considered this more appropriate for two reasons. The court, as a matter of independence as a court, would much prefer the leave way that is given in a scientific and professional type job as making its own determination rather than having the court personnel tied to what is ordinarily an executive department determination on grades and things of that kind. The court also feels that salarywise itself it would give the court more leeway in making their determination of what salary they would give rather than being arbitrarily bound to jump from one grade to another grade. That was the reason that was drawn for the second part of the act, sir, rather than effecting increase in the present ceiling of supergrades as provided in the basic law, sir.

Senator YARBOROUGH. Does the staff have any questions?

Mr. BRAWLEY. I would like to know, if possible, what specifically did the Civil Service Commission say to you when they denied your request for the supergrade positions.

Mr. TEDROW. I do not have the correspondence, Mr. Brawley, but I can say this, sir, that in neither of their letters saying they were sorry they couldn't help us did they take any issue with the court's request for the top grade involved. They did not say it is disallowed, the job did not warrant it, or anything of that kind, sir. They merely said we would like to help you, but we have such a limited number of supergrades that we have to shire them around throughout the Government, and we cannot do anything now; we will keep you in mind.

Mr. BRAWLEY. What did the Department of Defense officials say to you when you made the request through the Department of Defense?

Mr. TEDROW. Mr. Brawley, the last request was made in about May or June of 1958. It went directly from Chief Judge Quinn to the Civil Service Commission, I think, to Mr. Ellsworth. As far as I know, the Department of Defense has never taken an official position on that.

In 1955, when the earlier request was made, it is my recollection that the Department of Defense at least unofficially was in full sympathy, but they said it was a proposition that had to be worked out with the Civil Service Commission, that it was not anything they could do, as they did not control us but were our housekeepers.

I might say that goes back even further, Mr. Brawley. In about 1952 the court approved one position for what would be a comparable grade 16. After 2 years of shuttling around we were finally given that grade 16, and at that time there was discussion between the Department of Defense and the Civil Service Commission as to who would be charged with the allocation of the job. Finally, I think Mr. Mason, who was then Executive Director of the Civil Service Commission, said: "All right, we will take it." And they put it out of their general pool. So, insofar as our relations with the Department of Defense have been, I would say they would be a conduit that would send it on to the Civil Service Commission in any event.

You see, the Department of Defense says we do not have any right to rate your jobs and pass on your decisions. They have steadfastly maintained that position, which we think is correct, sir.

Mr. BRAWLEY. How many employees do you have in the court?

Mr. TEDROW. In the forties—46, 47. We have had a fairly constant number of employees for the last 5 years. We started out from scratch with, I think, 11 employees in 1951. We had the judges, their secretaries, myself, the clerk, and two or three other girls. Then, as the volume of work increased we put people on from time to time, and our present ceiling is in the forties. We have adhered to that very faithfully.

Mr. BRAWLEY. How many of those 40 are Grade 15's?

Mr. TEDROW. At the present time I would say four.

Mr. BRAWLEY. Four of the 40 are Grade 15's. You have one higher than a Grade 15?

Mr. TEDROW. One Grade 16.

Mr. BRAWLEY. What are you asking for now: 16's, 17's, or 18's?

Mr. TEDROW. No, Mr. Brawley, we would like provision made in the second part of the act that refers to the scientific and professional services—

Mr. BRAWLEY. You would like to have this included in the Public Law 313 positions?

Mr. TEDROW. This is the amendment to what is now section 2 of 1581(a) of title X, sir. The court feels it would be more appropriate to be under this part of the act in regard to professional personnel rather than putting the court, as part of the judiciary, into the Department that refers solely to the GS classifications, which ordinarily is strictly an executive setup. The court also feels that would give the court greater leeway in determining salary rather than flat raises which would come between the varying grades that are provided, sir.

Mr. BRAWLEY. Is the major reason for that the fact that the ceiling for Public Law 313 is \$19,000 and the General Schedule is \$17,500?

Mr. TEDROW. No; but that would enter into it.

Mr. BRAWLEY. Is the court aware of the fact that similar jobs in the Supreme Court are GS series?

Mr. TEDROW. The Supreme Court, I know the clerk of the Supreme Court is not, sir. The Congress has by specific act made the administrative office subject to the Civil Service classification. They did that in regard to two other courts. One is the trial level of customs, and the other is the executive department agency, the Tax Court, the revenue tax court. Now, in both of those acts, Congress specifically

subjected the personnel of those courts to the civil service ratings and classifications.

Senator YARBOROUGH. Does the minority have any questions?

Mr. PASCHAL. No, sir.

Mr. BRAWLEY. Both of these jobs that you are requesting increases for are now GS-15s?

Mr. TEDROW. One is now a GS-16.

Mr. BRAWLEY. What is the salary of that position? You said it is similar to GS-16.

Mr. TEDROW. It is paid at a rate of GS-16. The court has preferred to go along on a salary rate comparable to GS-16 because the court does not do anything else under the administrative setup whereby it receives its checks through the Department of Defense, and because there is a civil service rule back in 1951 that said it feels the court's employees are subject to the Commission. Now, that is the position we are in now, and we have no choice in the matter.

Mr. BRAWLEY. And the other position is GS-15?

Mr. TEDROW. Yes, sir. May I say this, Mr. Brawley: the court would like the second part of the act, if the committee should possibly approve it, but believe me, sir, the court would be delighted to have anything the committee can give them. We have been beating our heads against a wall for 4 years now. No matter where we go it turns out to be some kind of a blind alley.

Senator YARBOROUGH. Mr. Tedrow, we have had reports that this bill was offered fairly early in the session. We have put in evidence, the letter from the Deputy Secretary of Defense, approving the bill, and it has been under study for some months when you consider the work in both Houses together. Has this proposed amendment been reviewed by the Department of Defense or by the Civil Service Commission? Do you have any report from either of them as to what their position would be on this amendment?

Mr. TEDROW. May I first say that it was determined by the chief judge at the time of the preparation of our present fiscal budget, which of course was late last summer and early fall, that the proper method of procedure was through the House Appropriations Committee, and we were before them in the spring, April or May, I do not know which.

Inssofar as this request is concerned, no, sir, Mr. Chairman. It has not been submitted to anyone, as far as I know, outside the chief judge of the court, who has approved it.

Senator YARBOROUGH. You know we are getting fairly along in the session, and we will reach a cutoff date here sometime when the House will cease to consider Senate bills and vice versa, and most of these bills on which hearings are being held now are bills which have been under consideration long enough so that the Congress has received the recommendations of the various departments directly interested and the arguments that they have for or against the bills or specific amendments thereto. I do not know what the action of the subcommittee will be on the amendment you propose or what action the full committee will take. But it is entirely possible that it could act without acting on your proposed amendment, solely on the time element, rather than delay this measure until we did have reports from the Civil Service Commission or the Department of Defense. I do not say that will be done. I just point out that possibility, or from your standpoint that danger, because of the late-

ness of this period of time in the session and the fact that the amendment has not been heard of before. There has been no time to circularize it through the Department of Defense or the Civil Service Commission to get their views.

As I said, I am not attempting to speak for the full committee or the full subcommittee, but I just point out that possibility. If we were to act now or if we were to act soon on this bill, considering your amendment, we would be required to act without the customary departmental reports.

Mr. TEDROW. May I make one observation, sir?

Senator YARBOROUGH. Yes.

Mr. TEDROW. The court has not been dilatory, let me assure the committee. For 4 years we have felt that the hearings on the entire Uniform Code of Military Justice would be held by the Congress on the House side. It was then Mr. Brooks' subcommittee. In fact, Mr. Brooks did have a few hearings in 1956.

Those hearings will go to the entire code as a whole, and when and if we have those we feel we will clarify everything. When that is going to happen I do not know, sir. We started in 1955 hoping for it. We had a few hearings in 1956. Originally, Mr. Kilday's committee had hoped to get to it in January of this year. I now understand it will be at least some time in 1960 when they get to the code as a whole. It will be a lengthy process. The American Legion, various Reserve organizations, the American Bar Association, all have many suggested amendments to the code, sir. But we have ourselves been waiting for hearings on the code as a whole. It has been 4 years and we still have no relief in any regard, sir.

Senator YARBOROUGH. I can understand your predicament, sir, but I was pointing out the situation in which we find ourselves.

Mr. BRAWLEY. As I read the amendment, you are asking for an allocation of two of the Public Law 313 positions to the court.

Mr. TEDROW. I believe you are correct, sir.

Mr. BRAWLEY. The range of salary is from \$12,000 to \$19,000. Who in the court would determine what that salary would be?

Mr. TEDROW. The judges, the three judges of the court, sir.

Mr. BRAWLEY. Are you prepared to state this morning, assuming you secured this authority, where you would place these positions?

Mr. TEDROW. I would not place them anywhere, Mr. Brawley. It would be up to the judges themselves.

The only possible indication I could give you of the approximate level would be the fact that the court has in the past on several occasions requested at least Grade 18 salary level for the two positions. That is when our only then avenue was to ask Civil Service if they would give us those two jobs. I think that is a \$17,500, I believe. I do not know too much about these grade levels.

Mr. BRAWLEY. Public Law 313 positions, of course, are subject to the approval, both as to qualifications and as to salary level, by the Civil Service Commission. If you were given the authority under Public Law 313 and you submitted your request to the Commission, it is entirely possible that the Commission would not give you any more pay than you now receive.

Mr. TEDROW. Mr. Brawley, even though I am not very skillful in legislation, I tried to take care of that in the amendment because that would in effect put us in the same position as the FBI, that the

approval of the salaries would be in accordance with the decisions of the judges and not the Civil Service Commission. Mr. Hoover in the FBI has that same authority and maybe one or two more. But that is one I know of that has the authority.

Senator YARBOROUGH. Any further questions by the staff?

Mr. BRAWLEY. No.

Senator YARBOROUGH. Any questions by the minority?

Mr. PASCHAL. No, sir.

Senator YARBOROUGH. Thank you, Mr. Tedrow for your testimony.

I want to thank all of the witnesses for the very precise manner in which they presented the testimony enabling us to finish this hearing without undue loss of time.

I declare the hearing closed.

(Whereupon, at 11:45 a.m., the hearing was adjourned.)

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LEGISLATIVE HISTORY

Public Law 86-377

H. R. 6059

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INDEX AND SUMMARY OF H. R. 6059

Mar. 24, 1959	Senator Johnston of S. C. introduced S. 1520 which was referred to Senate Committee on Post Office and Civil Service. Print of bill as introduced.
Mar. 25, 1959	Rep. Murray introduced H. R. 6059 which was referred to House Committee on Post Office and Civil Service. Print of bill as introduced.
June 29, 1959	House committee reported H. R. 6059 with amendments. House Report 597. Print of bill and report.
July 6, 1959	House passed H. R. 6059 as reported.
July 7, 1959	H. R. 6059 was referred to Senate Committee on Post Office and Civil Service. Print of bill as referred.
July 29, 1959	Senator Johnston introduced S. 2461 which was referred to Senate Committee on Post Office and Civil Service. Print of bill as introduced.
Aug. 25, 1959	Senate committee voted to report H. R. 6059.
Sept. 3, 1959	Senate committee reported H. R. 6059 with amendments. Senate Report 882. Print of bill and report.
Sept. 9, 1959	Senate passed over H. R. 6059.
Sept. 11, 1959	Senate passed H. R. 6059 with amendments.
Sept. 14, 1959	House concurred in Senate amendments to H. R. 6059.
Sept. 23, 1959	Approved: Public Law 86-377.

DIGEST OF PUBLIC LAW 86-377

FEDERAL EMPLOYEES GROUP LIFE INSURANCE ACT AMENDMENTS.

Amends the Federal Employees Group Life Insurance Act of 1954 so as to provide that the full amount of life insurance shall continue without reduction so long as an employee remains in the Federal service (rather than being reduced gradually after age 65), and to reduce the 15-year service requirement for free insurance after retirement on an immediate annuity to 12 years. Authorizes the Secretary of Defense to establish a total of 450 scientific research and development positions under Public Law 313, 80th Congress, within the salary range of \$12,500 to \$19,000 per annum, and to place a total of 372 positions in grades GS-16, GS-17, and GS-18.

S. 1520

IN THE SENATE OF THE UNITED STATES

MARCH 24, 1959

Mr. JOHNSTON of South Carolina (by request) introduced the following bill;
which was read twice and referred to the Committee on Post Office and
Civil Service

A BILL

To provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 505 of the Classification Act of 1949 (5
4 U.S.C. 1105) is amended by adding the following new
5 subsection at the end thereof:

6 “(j) The Secretary of Defense is authorized, sub-
7 ject to the standards and procedures prescribed by this
8 Act, to place a total of three hundred and seventy-two

1 positions in the Department of Defense in grades 16,
2 17, and 18 of the General Schedule. The total number
3 of positions authorized by subsection (b) to be placed in
4 such grades shall, on the date of enactment of this sub-
5 section, be reduced by the number of positions in grades
6 16, 17, and 18 which are, as of that date, allocated to
7 the Department of Defense by the Civil Service Com-
8 mission out of the total number of positions authorized
9 by subsection (b).”

10 (b) Section 505 (j) of the Classification Act of 1949
11 (5 U.S.C. 1105 (j)) does not affect any position established
12 before the date of enactment of this Act, the incumbent of
13 that position, or his appointment thereto or compensation
14 thereof, until appropriate action is taken under that section
15 as added by this Act.

16 SEC. 2. Section 1581 (a) of title 10, United States Code,
17 as amended by section 12 (a) of the Federal Employees
18 Salary Increase Act of 1958 (72 Stat. 213), is amended by
19 striking out the words “two hundred and ninety-two” and
20 inserting “four hundred and fifty” in place thereof.

21 SEC. 3. The first sentence of section 1582 of title 10,
22 United States Code, is amended to read as follows: “The
23 Secretary of Defense shall report to Congress not later than
24 February 1 of each calendar year on the number of positions
25 established under section 1581 of this title during the pre-
26 ceding calendar year.”

A BILL

To provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes.

By Mr. JOHNSTON of South Carolina

MARCH 24, 1959

Read twice and referred to the Committee on Post
Office and Civil Service

86TH CONGRESS
1ST SESSION

H. R. 6059

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1959

Mr. MURRAY introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such department, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 505 of the Classification Act of 1949
4 (5 U.S.C. 1105) is amended by adding the following new
5 subsection at the end thereof:

6 “(j) The Secretary of Defense is authorized, subject
7 to the standards and procedures prescribed by this Act, to
8 place a total of three hundred and seventy-two positions in

1 the Department of Defense in grades 16, 17, and 18 of the
2 General Schedule.”

3 (b) The total number of positions authorized by section
4 505 (b) of the Classification Act of 1949, as amended (5
5 U.S.C. 1105 (b)), to be placed in grades 16, 17, and 18
6 of the General Schedule of such Act at any time shall be
7 deemed to have been reduced by the number of positions in
8 such grades allocated to the Department of Defense imme-
9 diately prior to the date of enactment of this Act.

10 (c) Nothing contained in this section shall affect any
11 position existing under authority of section 505 (b) of the
12 Classification Act of 1949, as in effect immediately prior to
13 the date of enactment of this Act, the compensation attached
14 to any such position, and any incumbent thereof, his appoint-
15 ment thereto, and his right to receive the compensation at-
16 tached thereto, until appropriate action is taken under au-
17 thority of subsection (j) of section 505 of the Classification
18 Act of 1949 as contained in the amendment made by sub-
19 section (a) of this section.

20 SEC. 2. Section 1581 (a) of title 10, United States Code,
21 as modified by section 12 (a) of the Federal Employees
22 Salary Increase Act of 1958 (72 Stat. 213), is amended by
23 striking out “two hundred and ninety-two” and inserting in
24 lieu thereof “four hundred and fifty”.

25 SEC. 3. The first sentence of section 1582 of title 10,

1 United States Code, is amended to read as follows: "The
2 Secretary of Defense shall report to Congress not later than
3 February 1 of each year on the number of positions estab-
4 lished under section 1581 of this title during the immediately
5 preceding calendar year."

A BILL

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such department, and for other purposes.

By Mr. MURRAY

MARCH 25, 1959

Referred to the Committee on Post Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of June 29, 1959
86th-1st, No. 108

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. House passed supplemental appropriation bill. Both Houses cleared general government matters appropriation bill. Sen. Mansfield criticized surplus food distribution policy.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1960. Received the conference report on this bill, H. R. 7175 (H. Rept. 588) (pp. 11009-11, 11075). Rep. Judd objected to the request of Rep. Whitten for immediate consideration of the report (p. 11011). At the end of this Digest is a summary of the actions of the conferees.
2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960. Agreed to an amendment to a Senate amendment on this bill, H. R. 7176, which will appropriate \$125,000 (instead of \$250,000 as provided by the Senate) for the use of Federal agencies, under the direction of the Budget Bureau, in improving management operation and establishing more efficient business methods in Government operations (p. 11006). The Senate later agreed to this House amendment (pp. 10985-6). This bill will now be sent to the President.
3. SUPPLEMENTAL APPROPRIATION BILL, 1960. Passed with amendments this bill, H. R. 7978 (pp. 11020-44). See Digest 106, item 20, for items of interest to this Department.

4. STATE-JUSTICE APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 7343 (p. 11006). Senate conferees have already been appointed.
5. D. C. APPROPRIATION BILL, 1960. Conferees were appointed on this bill, H. R. 5676 (p. 11006). Senate conferees have already been appointed.
6. WATERSHEDS. The Public Works Committee approved the following watershed plans: Tobesofkee Creek, Ga., Big Blue Creek, Ill., and Shoal Creek, Ill. p. 11007
7. LEGISLATIVE BRANCH APPROPRIATION BILL, 1960. Acted on the Senate amendments to this bill, H. R. 7453, and returned the bill to the Senate. pp. 11007-9
8. CONTRACTS. Conferees were granted permission until midnight June 29, to file a report on H. R. 7086, to extend the Renegotiation Act of 1951. p. 11020
9. FOOD; MARKETING. Received from the Federal Trade Commission an economic report, "Economic Inquiry Into Food Marketing - Interim Report." p. 11075
10. PERSONNEL. Received from the Civil Service Commission a "Special Report of the Board of Actuaries on the Valuation of the Civil Service Retirement System as of June 30, 1958." p. 11075
The Post Office and Civil Service Committee reported with amendments H. R. 6059, to provide additional civilian positions for the Defense Department for scientific research and development (H. Rept. 597). p. 11076

11. PRICES; INFLATION. Several Representatives debated the merits of the report of the Cabinet Committee on Price Stability for Economic Growth, and discussed the problem of controlling inflation. pp. 11046-51, 11052-55, 11055-62

SENATE

12. FOOD SURPLUSES. Sen. Mansfield criticized the Administration's food distribution policies here and abroad, urged the Administration to give Congress "a program which will see to it that every needy person in this country gets an equitable share" of our food production, recommended a long-range program to close up "disgraceful loopholes" in present law, to aid schools and other institutions, and to aid foreign countries, and inserted several articles on the subject. pp. 10931-3
13. MONOPOLIES. The Judiciary Committee reported with amendments S. 716, to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws (S. Rept. 451). p. 10924
14. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment S. 1789, to amend section 1 (14) (a) of the Interstate Commerce Act so as to insure the adequacy of the national railroad freight car supply (S. Rept. 452). p. 10924
15. PERSONNEL; ACCOUNTING. The Post Office and Civil Service Committee reported with amendments two bills: S. 1495, to consolidate and revise the laws relating to employment of aliens in the several States and the District of Columbia (S. Rept. 437), and H. R. 6134, to amend the Federal Employees Pay Act of 1945 so as to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years (S. Rept. 436). p. 10924

ADDITIONAL ADMINISTRATIVE AND SCIENTIFIC RE-
SEARCH AND DEVELOPMENT POSITIONS FOR THE
DEPARTMENT OF DEFENSE

JUNE 29, 1959.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. DAVIS of Georgia, from the Committee on Post Office and Civil
Service, submitted the following

R E P O R T

[To accompany H.R. 6059]

The Committee on Post Office and Civil Service, to whom was
referred the bill (H.R. 6059) to provide additional civilian positions
for the Department of Defense for purposes of scientific research and
development relating to the national defense, to improve the manage-
ment of the activities of such Department, and for other purposes,
having considered the same, report favorably thereon with amend-
ments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

(1) Page 1, line 4, strike out "(5 U.S.C. 1105)" and insert in lieu
thereof ", as amended (5 U.S.C. 1105),".

(2) Page 1, strike out line 6 and all that follows down through the
period and quotation marks in line 2 on page 2 and insert in lieu thereof
the following:

(j) The Secretary of Defense is authorized, subject to the
standards and procedures prescribed by this Act, to place a
total of three hundred seventy-two positions in the Depart-
ment of Defense in grades 16, 17, and 18 of the General
Schedule, as follows:

(1) Not more than three hundred twenty-six such
positions shall be in such grades during the period be-
ginning on the date of enactment of this subsection and
ending on June 30, 1960;

(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961.

(3) Page 2, immediately following the period in line 9, insert:

The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(4) Page 2, strike out lines 20 to 24, inclusive, and insert in lieu thereof the following:

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows:

“(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel, except that—

“(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

“(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and

“(3) Not more than four hundred fifty such positions shall be established on and after July 1, 1961.”

EXPLANATION OF AMENDMENTS

Amendment No. 1, which is technical only, adds the words “as amended” in referring to the Classification Act of 1949 in order to indicate the existence of prior amendments to that act and to continue the manner of referring to that act normally used by this committee in bills reported by the committee.

Amendment No. 2 provides a new subsection (j) for section 505 of the Classification Act of 1949, as amended, in lieu of the new subsection (j) proposed by the first section of the introduced bill. Such subsection (j) proposed by the introduced bill granted authority to the Secretary of Defense to place a total of 372 positions in the Department of Defense in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, in accordance with the

standards and procedures of that act—an increase of approximately 69 in the number of positions in such grades allocated to the Department of Defense under existing law.

The new subsection (j) proposed by amendment No. 2 of the committee retains this authority of the Secretary of Defense to place a total of 372 positions in the Department of Defense in such grades (an identical increase of 69 positions) but imposes limitations on the immediate exercise of that authority, in accordance with the estimated future needs of such Department for such positions, by requiring that such increase shall be effected in three steps over a period of the first 3 fiscal years ending after the enactment of the bill.

Accordingly, the new subsection (j) proposed by amendment No. 2 provides that—

(a) Not more than 326 positions in the Department of Defense shall be in such grades during the period beginning on the date of enactment of the bill and ending on June 30, 1960—an initial increase of 23 new positions.

(b) Not more than 349 such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961—a second increase of 23 positions (the total increase over the 2-year period being 45 new positions).

(c) Not more than 372 such positions (the overall total number of such positions in the present and future under this amendment) shall be in such grades on and after July 1, 1961—a third increase of 23 positions (the total increase over the 3-year period being 68 new positions).

Amendment No. 2 will permit the careful and orderly selection and placement of positions and individuals in grades 16, 17, and 18 of the general schedule in accordance with existing and reasonably foreseeable estimated needs of the Department of Defense.

Amendment No. 3 adds a sentence to subsection (b) of the first section of the introduced bill in order to complete and perfect the policy contemplated by that subsection.

Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), provides, in effect, that the number of positions which may be fixed by a majority of the U.S. Civil Service Commissioners as the maximum number of positions which may be in grades 16, 17, and 18 of the general schedule at any one time shall not exceed 1,513 and that the maximum number of positions which may be placed in grades 17 and 18 at any one time shall not exceed 401 for grade 17 and 159 for grade 18.

Subsection (b) of the first section of the introduced bill provided that the maximum number of positions authorized for grades 16, 17, and 18 by such section 505(b) shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of the bill.

Amendment No. 3 proposed by the committee applies the same policy with respect to the maximum numbers of positions for grades 17 and 18 set forth in such section 505(b) by providing that the respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 at any one time shall be deemed to have been reduced by the respective numbers of positions in such

grades allocated to the Department of Defense immediately prior to the date of enactment of the bill.

Amendment No. 3, therefore, provides assurance that the ratio existing immediately prior to the date of enactment of the bill between the total number of positions in grades 17 and 18 and the total number of positions in grades 16, 17, and 18 as authorized for the Government generally by section 505(b) of the Classification Act of 1949, as amended, will not be affected by reason of the enactment of the bill.

Amendment No. 4 rewrites the provisions of section 1581(a) of title 10 of the United States Code consistently with the policy set forth in amendment No. 2 with respect to the new subsection (j) of section 505 of the Classification Act of 1949, as amended.

Such section 1581(a) now authorizes the Secretary of Defense to establish not more than 292 civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

Section 2 of the introduced bill increased from 292 to 450 the number of positions authorized by such section 1581(a)—an increase of 158 positions.

Amendment No. 4 rewrites such section 1581(a) so as to authorize the Secretary of Defense to establish not more than 450 civilian positions in the Department of Defense for the scientific research and development purposes described above (thus retaining the increase of 158 positions) but, as in the case of amendment No. 2, imposes limitations on the immediate exercise of that authority, in accordance with the estimated future needs of such Department for such positions, by requiring that such increase shall be effected in three steps over a period of the first 3 fiscal years ending after the enactment of the bill.

Accordingly, section 1581(a) of title 10 of the United States Code, as rewritten by amendment No. 4, provides that—

(a) Not more than 346 scientific research and development positions shall be established during the period beginning on the date of enactment of the bill and ending on June 30, 1960—an initial increase of 54 new positions.

(b) Not more than 400 such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961—a second increase of 54 positions (the total increase over the 2-year period being 108 new positions).

(c) Not more than 450 such positions shall be established on and after July 1, 1961—a third increase of 50 positions (the total increase over the 3-year period being 158 new positions).

Amendment No. 4, like amendment No. 2, will permit the careful and orderly establishment of civilian scientific research and development positions in the Department of Defense in accordance with existing and reasonably foreseeable estimated needs of the Department of Defense.

STATEMENT

PURPOSE

The general purpose of this legislation is to increase the numbers of supergrade positions (positions in grades 16, 17, and 18 of the general

schedule of the Classification Act of 1949, as amended) and scientific research and development positions (positions first authorized by Public Law 313, 80th Cong.) in the Department of Defense. Approximately 69 additional supergrade positions and 158 additional scientific research and development positions will be authorized. The additional positions will be made available in three periods extending up to fiscal year beginning July 1, 1961, as more fully discussed in the section-by-section explanation of the bill.

SUPERGRADE POSITIONS

The increase in supergrade positions will be accomplished by an amendment to section 505 of the Classification Act of 1949 authorizing the Secretary of Defense to place the appropriate numbers of positions in such grades during the periods specified in the bill. This authority of the Secretary of Defense will be subject to the standards and procedures prescribed by the Classification Act, as in the case of authority previously granted the Comptroller General of the United States with respect to similar positions in the General Accounting Office.

This new authorization for the Secretary of Defense will replace the present authority of law under which the Civil Service Commission allocates supergrade positions to the Department of Defense out of the total number of supergrade positions which the Commission is authorized to allocate throughout the Government. In turn, the total number of positions which the Commission presently is authorized to allocate throughout the Government will be reduced by the number of such positions it has allocated to the Department of Defense immediately before this legislation takes effect.

The Civil Service Commission on June 1, 1959, had allocated 303 supergrade positions to the Department of Defense, compared to the maximum total of 372 such positions to be made available to the Secretary of Defense by this bill. The difference of 69 positions represents the increase authorized by this legislation. Of these 69 new positions, 23 will be made available in the period beginning on the date of enactment of the bill and ending June 30, 1960; 23 more will be made available during the fiscal year ending June 30, 1961; and the final 23 will be made available on and after July 1, 1961.

The present distribution of the 303 supergrade positions allocated by the Civil Service Commission to the Department of Defense is about 10 percent in grade 18, 30 percent in grade 17, and the remainder in grade 16. It is the intent and purpose of the committee, in recommending this legislation, that this existing relationship in numbers of positions in the several general schedule grades concerned be maintained as closely as possible in the placement of positions in such grades by the Secretary of Defense under the new authority provided by this legislation. The Department of Defense has given its assurance to the committee that it will carry out this intent and purpose and that in the future it will adhere as closely as possible to the existing proportions of positions in grades 17 and 18.

The committee emphasizes the fact that under this bill the specific requirement (contained in sec. 505(a) of the Classification Act of 1949), that no position shall be placed in grades 16, 17, or 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners, remains in effect.

SCIENTIFIC RESEARCH AND DEVELOPMENT POSITIONS

The 158 additional scientific research and development positions authorized by this legislation will increase the existing total of 292 such positions in the Department of Defense to a new total of 450. The increase will be accomplished in three steps, as in the case of the increase in supergrade positions, with 54 additional positions made available during the period ending June 30, 1960, 54 more during the year ending June 30, 1961, and the final 50 on and after July 1, 1961. The qualifications of a proposed appointee to any such position, as well as his proposed annual salary, are subject to approval by the Civil Service Commission.

The salary rates of the scientific research and development positions range from \$12,500 to \$19,000 per year, thus providing a measure of flexibility in selecting and fixing the compensation of specially qualified scientific research and development personnel. This flexibility is necessary because job content cannot be rigidly prescribed in many of the research and development areas for which the Department of Defense is responsible. Likewise, there has been no criticism of the manner in which this flexible authority has been used by the Department for the past 12 years. It is the committee's purpose and intent that this legislation be administered in the same manner as similar authority has been administered in the past. Assurance to that effect has been obtained from the Department of Defense.

STUDY OF POSITION CHANGES

As emphasized in House Document 2706 of the 85th Congress, entitled "Legislative Control of Federal Positions and Salaries," this committee for some time has been concerned with the inflationary trends in the grades and salaries of Federal employees. There has been a noticeable trend not only in the upgrading of existing positions, but also in the creation of new positions, especially in grades 9 through 15. The committee's Manpower Utilization Subcommittee for some time has been studying these trends in the Department of Defense as well as elsewhere in the Government. The study discloses that the establishment of supergrade positions has been one of the major factors in the upgrading of existing positions and the creation of additional positions below the supergrade level. The new supergrade jobs have been the basis in the past for new deputies, administrative assistants, personal secretaries, and other additional positions all down the line. Department of Defense officials have been informed that they will be expected to hold such personnel actions to a minimum under this legislation. The Subcommittee on Manpower Utilization also will watch the personnel changes in the Department of Defense and report its findings to the committee as frequently as may be necessary and practical.

PUBLIC HEARINGS

Representatives of the Department of Defense and the Civil Service Commission testified in favor of this legislation at an open hearing on May 11, 1959. There was no unfavorable testimony.

It was pointed out in the hearing that the ratio of these top positions to total civilian employment is considerably less in the Department of

Defense than in most civilian departments and agencies. Likewise, two of the basic reasons advanced by the Assistant Secretary of Defense, Hon. Charles C. Finucane, for additional research and development positions were the expansion which has been taking place in the research and development programs in the Defense Department and the increasing complexity and urgency of these programs. Mr. Finucane pointed out that the budget for research and development has increased from \$3.3 billion in the fiscal year 1956 to \$5.6 billion requested for the fiscal year 1960.

Secretary Finucane pointed out two basic problems with respect to supergrade positions which are of concern to the Department of Defense and which H.R. 6059 will, in his opinion, in a large measure alleviate.

The first of these is that the Civil Service Commission is now responsible for allocating to the various departments and agencies the positions authorized by Congress under section 505(b) of the Classification Act of 1949. This means that the Department of Defense does not have title to supergrade spaces which from time to time are allocated to it. Whenever a supergrade vacancy occurs, the Civil Service Commission must determine the relative urgency of the work for which the Department of Defense proposes to use the space as compared with requirements in other departments and agencies. According to Department of Defense officials, this situation makes it impossible for the Department to deal with the Post Office and Civil Service Committees of the Congress in terms of its requirements for supergrade positions without involving other departments and agencies of the Federal Government, which are not responsible for the maintenance of a national defense capable of repelling any armed attack.

The second problem which Mr. Finucane emphasized was the fact that there are not available for the Department of Defense enough grade GS-16, 17, and 18 spaces to meet requirements for positions at those levels which the Civil Service Commission, after a review of requests, has already agreed should be allocated to the Department.

SECTION-BY-SECTION EXPLANATION OF THE REPORTED BILL

1. ADDITIONAL SUPERGRADES FOR THE DEPARTMENT OF DEFENSE

Subsection (a) of the first section of the bill amends section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), to authorize the Secretary of Defense to place a total of 372 positions in the Department of Defense in grades 16, 17, and 18 of the general schedule of such act. This increases the current allocation of positions to these grades by approximately 69 positions. The additional positions will be made available in three steps, as follows: 23 during the period beginning with the date of enactment of this bill and ending June 30, 1960; 23 more during the fiscal year ending June 30, 1961; and the final 23 on and after July 1, 1961.

Subsection (b) of the first section of this bill provides that the total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the general schedule of such act at any time shall be deemed to have been reduced by the number of positions in such

grades allocated to the Department of Defense immediately prior to the enactment of this bill. This subsection also provides that the respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such general schedule at any time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this legislation.

Subsection (c) of the first section of the bill continues in effect all positions existing immediately before enactment of this bill, and the compensation and other rights affecting the incumbents thereof, until the Secretary of Defense takes appropriate action, under the new authority contained in the bill, to place the positions in his Department.

2. ADDITIONAL SCIENTIFIC RESEARCH AND DEVELOPMENT POSITIONS FOR THE DEPARTMENT OF DEFENSE

Section 2 of the bill amends section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213) and amended by section 3 of the act of May 29, 1959 (73 Stat. 63; Public Law 86-36), in that it authorizes the Secretary of Defense to establish 450 scientific research and development positions in the Department of Defense. This represents an increase of 158 over prior authorizations for such positions. The additional positions will be made available in three steps, as follows: 54 during the period ending June 30, 1960; 54 more during the period July 1, 1960, to June 30, 1961; and the final 50 on and after July 1, 1961.

3. REPORTS TO THE CONGRESS

Section 3 of the bill continues in effect the existing requirement of law for reports to the Congress on the number of scientific research and development positions in the Department of Defense but changes the reporting date so as to permit submittal of complete information covering the entire preceding calendar year.

COST DATA

It was generally agreed that the increase in cost would amount to about \$750 per year for each additional position created by this legislation. The approximate cost, therefore, will not exceed \$55,000 for the period beginning with the date of enactment and ending June 30, 1960; \$110,000 for the fiscal year 1961; and \$175,000 for each fiscal year thereafter. However, Department of Defense officials have stated that the costs involved can be absorbed in the Department of Defense appropriations.

REPORTS FROM EXECUTIVE DEPARTMENTS AND AGENCIES

The official request of the Department of Defense, and the favorable reports of the Bureau of the Budget and the Civil Service Commission, follow.

THE SECRETARY OF DEFENSE,
Washington, March 13, 1959.

HON. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: There is forwarded herewith a draft of legislation to provide more adequate numbers of civilian positions required by the Department of Defense to carry our scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes.

This proposal is a part of the Department of Defense legislative program for 1959 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

Section 1(a) of the bill would amend section 505 of the Classification Act of 1949 (5 U.S.C. 1105) by adding a new subsection which would—

(1) Authorize the Secretary of Defense to place a total of 372 positions in the Department in grades 16, 17, and 18 of the general schedule, subject to the procedures prescribed by section 505 but not to the ceilings imposed by subsection (b) of that section; and

(2) Reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole, such reduction to be the number of such positions allocated out of that total to the Department of Defense as of the enactment date of the bill.

Section 1(b) of the bill would protect the incumbents of existing GS-16, 17, and 18 positions in the Department of Defense until appropriate action is taken under the new authority which would be provided by section 1(a).

Section 2 of the bill would amend section 1581(a) of title 10, United State Code, as amended (generally referred to as Public Law 313), by increasing from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in the Department of Defense.

Section 3 of the bill would amend the first sentence of section 1582 of title 10, United States Code, by changing from December 31 to February 1 the date on which the Secretary of Defense is required to report to the Congress on scientific and professional positions established under section 1581, so as to permit the report to cover the entire preceding calendar year.

Heretofore, the Department of Defense has received its allotment of GS-16, 17, and 18 positions out of the number of such positions made available in section 505(b) of the Classification Act for allocation by the Civil Service Commission among the various departments and agencies of the Government. This situation has created for the Department two rather serious problems.

First, the Department of Defense, although it has many additional positions which the Civil Service Commission has recognized as

10 ADDITIONAL POSITIONS FOR THE DEPARTMENT OF DEFENSE

properly allocable at the GS-16, 17, or 18 level, has been unable to obtain from the general pool of positions authorized in section 505(b) a sufficient number to meet its needs. Although there has been some small increase in the total number of positions available to this Department as a result of the increase of 287 positions authorized by the Congress under section 505(b) in 1958, there were still some 200 positions in Defense which the Commission recognized as being at the supergrade level but for which spaces were not available.

Second, and of equally serious concern, is the fact that the Department of Defense cannot count on the continued availability of even its present number of GS-16, 17, and 18 positions. The Civil Service Commission has consistently held that it cannot allot a quota of these positions to any agency, under existing language of the Classification Act. This means that when a GS-16, 17, or 18 position in the Department of Defense become vacant, the Commission must make a determination as to the relative needs of Defense and other Federal agencies for that position. Since it does not necessarily follow that Defense will keep the position, the situation created is one of uncertainty and difficulty in planning to meet needs for top level personnel.

The authority provided in this legislation to permit the Secretary of Defense to have a specific number of GS-16, 17, and 18 positions for the Department of Defense will permit better planning and better utilization of these spaces. It will also provide a modest increase of 62 positions over the number now available and thus permit more equitable treatment for top management and executive personnel in the Department. The Civil Service Commission would still be required to review and approve any proposed allocation of a position to one of these grades, before that allocation could be given effect in the Department. Thus existing procedures in this regard would not be changed.

The proposed legislation also contains a provision for reducing the number of GS-16, 17, and 18 positions made available for general distribution by the Civil Service Commission under subsection 505(b) of the Classification Act. This reduction would be equal to the number of such positions allocated to the Department of Defense under that subsection at the time the legislation is enacted. Thus, the overall number of GS-16, 17, and 18 positions available for other Government agencies would not be increased by the grant of special authority to the Secretary of Defense.

Intensification of research and development efforts in the Department of Defense has accelerated with recent international developments in this field, and particularly those having military application. Today, as never before, the Department must be able to command the best scientific talent available if it is to keep abreast in this vital area.

Availability of top level scientific and professional positions such as were first authorized in the act of August 1, 1947, has been of tremendous benefit to the Department in retaining the caliber of scientific and engineering personnel it requires. These positions not only provide desirable flexibility for fixing pay within the range of \$12,500 to \$19,000 per year, but they also have a prestige value which is particularly appealing to personnel in these categories.

In 1958 the Department of Defense submitted to the Congress a legislative proposal to raise to 450 the number of these top level scientific and professional positions which the Secretary of Defense

might establish. In the Federal Employees Salary Increase Act of 1958 (Public Law 85-462), the Congress authorized 292 of these positions, which represented an increase of 172 over the number previously available, but was 158 less than the number requested.

The Department of Defense is renewing its request for 450 scientific and professional positions. This is the minimum number of these important spaces required to provide equitable treatment for scientists and engineers in positions of comparable significance and responsibility at the top levels throughout the Department.

The legislative proposal transmitted herewith will be of great benefit to the Department of Defense in overcoming many of the problems which it now faces with respect to top level scientific and management personnel. It will enable the transfer of top level scientists and engineers to positions which more appropriately recognize their peculiar skills and abilities and the character of the work they perform. It will provide the Department of Defense with a specific number of top management positions, in the three upper grades of the Classification Act, with the requisite flexibility to enable the Secretary of Defense to utilize the positions to maximum advantage.

Furthermore, enactment of this legislation will place the Department of Defense in a position to appear before and justify to the appropriate committees of the Congress its requirements for top level positions, both scientific and management, without involving other Federal departments and agencies. It will also relieve the Civil Service Commission of the extremely difficult task of attempting to weigh objectively the urgency of the need in Defense for a given position as opposed to the needs of other agencies for their programs.

COST AND BUDGET DATA

The estimated added costs for a full year of the additional positions provided the Department of Defense by this bill would be \$131,000 if all the additional positions are filled through the year. The additional costs involved in this proposal can be absorbed in the Department of Defense appropriations.

Sincerely yours,

DONALD A. QUARLES, *Deputy.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 8, 1959.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Old House Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your requests of March 31 for the Bureau of the Budget's views relative to H.R. 6059 and H.R. 6065. These are identical bills to increase the number of GS-16, 17, and 18 and Public Law 313 positions in the Department of Defense.

The Bureau recommends enactment of this proposal. The Department of Defense needs more positions at these high levels than are authorized under existing legislation and more than can be allo-

12 ADDITIONAL POSITIONS FOR THE DEPARTMENT OF DEFENSE

eated from the general pool of GS-16, 17, and 18 positions currently authorized. H.R. 6059 and H.R. 6065 embody the most direct method of meeting the Department's needs.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 30, 1959.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. MURRAY: This is in further reply to your letters of March 31, 1959, requesting our views and comments on H.R. 6059 and H.R. 6065, identical bills to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

Section 1 of H.R. 6059 (and H.R. 6065) would—

(a) Amend section 505 of the Classification Act to authorize the Secretary of Defense, subject to the standards and procedures of that act including prior approval of the Civil Service Commission, to place a total of 372 positions in grades 16, 17, and 18 of the general schedule;

(b) Reduce the total number of GS-16, 17, and 18 positions authorized by subsection 505(b) for the Government as a whole by the number of positions in such grades allocated to the Department of Defense immediately prior to the enactment date of the bill; and

(c) Provide protection against any change for existing positions and incumbents until appropriate action is taken under the new authority ((a) above).

Section 2 would increase from 292 to 450 the number of scientific and professional positions which the Secretary of Defense is authorized to establish in that Department under title 10, United States Code, section 1581(a), as amended (generally referred to as Public Law 313). Under that act each such position is established to effectuate those research and development functions, relating to the national defense, military and naval medicine, and all other activities of the Department of Defense which require the services of specially qualified scientific or professional personnel. The qualifications of appointees and salary, within the range of \$12,500-\$19,000, are subject to approval by the Civil Service Commission.

Section 3 would change from December 31 to February 1 the date on which the Secretary of Defense is required to report to the Congress on the scientific and professional positions established under title 10, United States Code, section 1581, so as to permit the report to cover the entire preceding calendar year.

The Commission favors enactment of H.R. 6059.

The limitations prescribed by section 505(b) of the Classification Act on the number of GS-16, 17, and 18 positions available for agency-wide distribution are such that many positions in the Department of

Defense recognized as properly allocable to such grades cannot be so classified by the Civil Service Commission. H.R. 6059 would provide some relief in this respect.

The Commission wishes to emphasize, and it would be helpful if the committee's report on the bill would so indicate, that the language "subject to the standards and procedures prescribed by this Act" appearing in section 1(a) of H.R. 6059 refers to the specific requirement in section 505(a) of the Classification Act that no position shall be placed in grades 16, 17, and 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

Research and development activities in the Department of Defense have become even more important in view of international developments. It is essential to the national defense and welfare that the Department have the means by which it can command the best scientific talent available. The Commission believes that enactment of H.R. 6059 would be a major step in this direction.

We have been advised by the Bureau of the Budget that it has no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROGER W. JONES, *Chairman.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 505 OF THE CLASSIFICATION ACT OF 1949 (5 U.S.C. 1105)

SEC. 505. (a) No position shall be placed in grade 16, 17, or 18 of the General Schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed fifteen hundred and thirteen) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed four hundred and one for grade 17 and one hundred and fifty-nine for grade 18.

(c) The number of positions of senior specialists in the Legislative Reference Service of the Library of Congress allocated to grades 16, 17, and 18 of the General Schedule by reason of the proviso contained in section 203(b)(1) of the Legislative Reorganization Act of 1946 (60 Stat. 836; 2 U.S.C., sec. 166(b)(1)) shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(d) The Comptroller General of the United States is authorized, subject to the procedures prescribed by this section, to place a total

of twenty-five positions in the General Accounting Office in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(e) The Director of the Federal Bureau of Investigation, United States Department of Justice, is authorized, without regard to any other provision in this section, to place a total of seventy-five positions in the Federal Bureau of Investigation in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The National Security Council is authorized, subject to the procedures prescribed by this section, to place two additional positions in grade 18, one additional position in grade 17, and two additional positions in grade 16 of the general schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The Director of the Administrative Office of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(g) The Commissioner of Immigration and Naturalization is authorized to place a total of eleven positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades. Such reduction shall be deemed to have occurred in the following order: first, from any number specifically authorized for such agency under this section, and second, from the maximum number of positions authorized to be placed in such grades under subsection (b) irrespective of the agency to which such positions are allocated.

(i) Appointments to positions in grades 16, 17, and 18 of the General Schedule shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees, except that this subsection shall not apply to those positions—

(1) provided for in subsection (e) of this section;

(2) to which appointments are made by the President alone or by the President by and with the advice and consent of the Senate; and

(3) for which the compensation is paid from (A) appropriations for the Executive Office of the President under the headings "The White House Office", "Special Projects", "Council of Economic Advisers", "National Security Council", "Office of Defense Mobilization", and "President's Advisory Committee on Government Organization", or (B) funds appropriated to the President under the heading "Emergency Fund for the President, National Defense" by the General Government Matters Appropriation

Act, 1959, or any subsequent Act making appropriations for such purposes.

(j) *The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule.*

SECTIONS 1581(a) AND 1582 OF TITLE 10 OF THE UNITED STATES CODE

§ 1581. Appointment: professional and scientific services

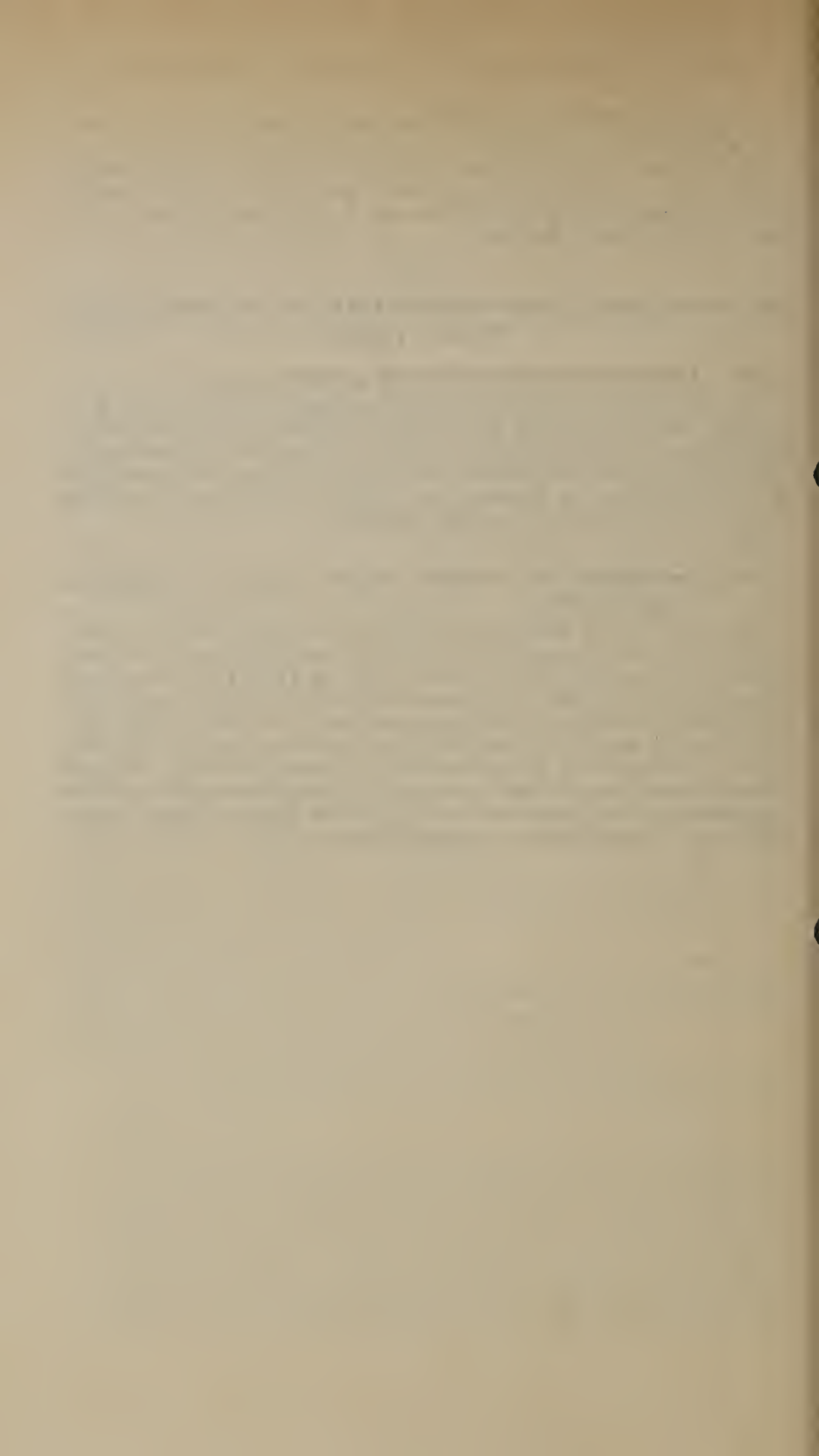
(a) The Secretary of Defense may establish not more than [two hundred and ninety-two] *four hundred and fifty* civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

* * * * *

§ 1582. Professional and scientific services: reports to Congress on appointments

The Secretary of Defense shall report to Congress *not later than February 1 of each* [calendar] year on the number of positions established under section 1581 of this title during [that] *the immediately preceding* calendar year. The report shall list the name, rate of compensation, functions, and qualifications of each incumbent. However, the Secretary may omit any item if he considers that a full public report on it would be detrimental to the national security. In such a case, he shall present the information, in executive session, to such committees of the Senate and the House of Representatives as are designated by the presiding officers of those bodies.

○



86TH CONGRESS
1ST SESSION

H. R. 6059

[Report No. 597]

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1959

Mr. MURRAY introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JUNE 29, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 505 of the Classification Act of 1949
4 ~~(5 U.S.C. 1105)~~, *as amended (5 U.S.C. 1105)*, is amended
5 by adding the following new subsection at the end thereof:

6 ~~“(j) The Secretary of Defense is authorized, subject~~
7 ~~to the standards and procedures prescribed by this Act, to~~
8 ~~place a total of three hundred and seventy-two positions in~~

1 the Department of Defense in grades 16, 17, and 18 of the
2 General Schedule.”

3 “(j) The Secretary of Defense is authorized, subject
4 to the standards and procedures prescribed by this Act, to
5 place a total of three hundred seventy-two positions in the
6 Department of Defense in grades 16, 17, and 18 of the
7 General Schedule, as follows:

8 “(1) Not more than three hundred twenty-six such
9 positions shall be in such grades during the period be-
10 ginning on the date of enactment of this subsection and
11 ending on June 30, 1960;

12 “(2) Not more than three hundred forty-nine such
13 positions shall be in such grades during the period be-
14 ginning on July 1, 1960, and ending on June 30, 1961;
15 and

16 “(3) Not more than three hundred seventy-two such
17 positions shall be in such grades on and after July 1,
18 1961.”

19 (b) The total number of positions authorized by section
20 505 (b) of the Classification Act of 1949, as amended (5
21 U.S.C. 1105 (b)), to be placed in grades 16, 17, and 18
22 of the General Schedule of such Act at any time shall be
23 deemed to have been reduced by the number of positions in
24 such grades allocated to the Department of Defense imme-

1 diately prior to the date of enactment of this Act. *The*
2 *respective numbers of positions authorized by such section*
3 *505(b) to be placed in grades 17 and 18 of such schedule*
4 *at any one time shall be deemed to have been reduced by the*
5 *respective numbers of positions in such grades allocated to*
6 *the Department of Defense immediately prior to the date*
7 *of enactment of this Act.*

8 (c) Nothing contained in this section shall affect any
9 position existing under authority of section 505(b) of the
10 Classification Act of 1949, as in effect immediately prior to
11 the date of enactment of this Act, the compensation attached
12 to any such position, and any incumbent thereof, his appoint-
13 ment thereto, and his right to receive the compensation at-
14 tached thereto, until appropriate action is taken under au-
15 thority of subsection (j) of section 505 of the Classification
16 Act of 1949 as contained in the amendment made by sub-
17 section (a) of this section.

18 ~~SEC. 2. Section 1581(a) of title 10, United States Code,~~
19 ~~as modified by section 12(a) of the Federal Employees~~
20 ~~Salary Increase Act of 1958 (72 Stat. 213), is amended by~~
21 ~~striking out "two hundred and ninety-two" and inserting in~~
22 ~~lieu thereof "four hundred and fifty".~~

23 *SEC. 2. Section 1581(a) of title 10, United States*
24 *Code, as modified by section 12(a) of the Federal Em-*

1 *ployees Salary Increase Act of 1958 (72 Stat. 213), and as*
2 *amended by section 3 of the Act of May 29, 1959 (73 Stat.*
3 *63; Public Law 86-36), is amended to read as follows:*

4 “(a) *The Secretary of Defense may establish not more*
5 *than four hundred fifty civilian positions in the Department*
6 *of Defense to carry out research and development relating*
7 *to the national defense, military medicine, and other activities*
8 *of the Department of Defense that require the services of*
9 *specially qualified scientists or professional personnel, except*
10 *that—*

11 “(1) *Not more than three hundred forty-six such*
12 *positions shall be established during the period beginning*
13 *on the date of enactment of the Act by which this amend-*
14 *ment is made and ending on June 30, 1960;*

15 “(2) *Not more than four hundred such positions*
16 *shall be established during the period beginning on July*
17 *1, 1960, and ending on June 30, 1961; and*

18 “(3) *Not more than four hundred fifty such posi-*
19 *tions shall be established on and after July 1, 1961.”*

20 SEC. 3. The first sentence of section 1582 of title 10,
21 United States Code, is amended to read as follows: “The
22 Secretary of Defense shall report to Congress not later than
23 February 1 of each year on the number of positions estab-
24 lished under section 1581 of this title during the immediately
25 preceding calendar year.”

86TH CONGRESS
1ST SESSION

H. R. 6059

[Report No. 597]

A BILL

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

By Mr. MURRAY

MARCH 25, 1959

Referred to the Committee on Post Office and Civil Service

JUNE 29, 1959

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of July 6, 1959
86th-1st, No. 112

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HIGHLIGHTS: House debated resolution to disapprove Reorganization Plan 1 on forest land authorities. House committee reported bill to modify and enact the Plan. Senate debated mutual security authorization bill. Senate subcommittee voted to report public works appropriation bill. Rep. Johnson, Wis., introduced and discussed bill to transfer administration of School Lunch Act to HEW.

HOUSE

1. FORESTRY; REORGANIZATION. Began and concluded debate on H. Res. 295, to disapprove Reorganization Plan No. 1 of 1959 which would transfer from Interior to this Department certain authorities for the exchange or sale of forest land and timber (pp. 11603-09). A vote on the measure was postponed until today, July 7 (p. 11609).

The Government Operations Committee reported, on July 3, with amendment H. R. 7681, to enact the provisions of Reorganization Plan No. 1 with amendments (H. Rept. 633) (p. 11614). Rep. Brown, O., protested against the Committee reporting the bill without public hearings, and stated that he had checked with Agriculture, Interior, and the Budget Bureau, and had been informed that they had not been requested by the Committee to testify on the bill (pp. 11604-5). Rep. Dawson, Ill., stated that H. R. 7681 will be brought up for consideration at a later date (p. 11609).

Passed as reported H. R. 3682, to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests by the act of August 14, 1958. p. 11577

2. RESEARCH. Passed with amendments H. R. 6436, to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants. pp. 11576-7
3. WILDLIFE; SURPLUS. GRAINS. Passed over, at the request of Rep. Pelly, H. R. 7631, to make permanent the act of July 3, 1956, authorizing Interior to requisition low-quality grain from CCC for use in the prevention of waterfowl depredations. p. 11577
4. PERSONNEL. Passed as reported H. R. 7577, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. p. 11578

Passed as reported H. R. 6059, to provide additional civilian positions in the Defense Department for scientific research and development. p. 11583

5. MONOPOLIES. Passed under suspension of the rules S. 726, to amend the Clayton Act so as to provide for the more expeditious enforcement of cease and desist orders issued under the act (pp. 11592-99). Rep. Celler stated that under the bill "Clayton Act cease and desist orders will become final and conclusive 60 days after issuance unless the respondent seeks judicial review. In the event that judicial review is sought, the cease and desist order will become final when affirmed by the court" (p. 11593). The "Daily Digest" states that the bill was passed with amendment (p. D569).

SENATE

6. MUTUAL SECURITY. Continued debate on S. 1451, the mutual security authorization bill for 1959. pp. 11539-47, 11548-65
7. PERSONNEL. Passed as reported H. R. 6134, to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employee for certain pay periods occurring in part in previous fiscal years. p. 11529
Passed as reported S. 1495, to consolidate and revise the laws relating to employment of aliens in the several States and D. C. p. 11529
Passed over, at the request of Sen. Keating, S. 2162, to provide a health benefits program for Government employees. p. 11536
8. WATER; RECLAMATION. Passed over at the request of Sen. Keating S. 281, to authorize the Secretary of Interior to construct, operate, and maintain a re-regulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho. pp. 11529-30
Received from the Illinois Legislature a resolution urging Congress to defend and preserve the water rights of the States and individuals. p. 11510
9. PUBLIC WORKS APPROPRIATION BILL FOR 1960. A subcommittee of the Appropriations Committee voted to report to the full committee this bill, H. R. 7509. p. D568
10. TRANSPORTATION. Passed as reported S. 1509, to amend the Interstate Commerce Act as amended to provide for "grandfather" rights (preference rights for certain carriers operating in the past) for certain motor carriers and freight forwarders in Alaska. pp. 11524-6

struction of fishing rights at Celilo Falls exempt from income tax.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. ULLMAN. Mr. Speaker, reserving the right to object, and I shall not object, may I inquire of the gentleman from Nebraska if he has any specific reason for his request.

Mr. WEAVER. Mr. Speaker, I will say to the gentleman that by unanimous-consent request was made at the request of a Member who is unable to be here today.

Mr. ULLMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ADDITIONAL POSITIONS—DEPARTMENT OF DEFENSE

The Clerk called the bill (H.R. 6959) to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 of the Classification Act of 1949 (5 U.S.C. 1105), is amended by adding the following new subsection at the end thereof:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule."

(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(c) Nothing contained in this section shall affect any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (j) of section 505 of the Classification Act of 1949 as contained in the amendment made by subsection (a) of this section.

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), is amended by striking out "two hundred and ninety two" and inserting in lieu thereof "four hundred and fifty".

SEC. 3. The first sentence of section 1582 of title 10, United States Code, is amended to read as follows: "The Secretary of Defense shall report to Congress not later than

February 1 of each year on the number of positions established under section 1581 of this title during the immediately preceding calendar year."

With the following committee amendments:

(1) Page 1, line 4, strike out "(5 U.S.C. 1105)" and insert in lieu thereof ", as amended (5 U.S.C. 1105),".

(2) Page 1, strike out line 6 and all that follows down through the period and quotations marks in line 2 on page 2 and insert in lieu thereof the following:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule, as follows:

"(1) Not more than three hundred twenty-six such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

"(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961."

(3) Page 2, immediately following the period in line 9, insert: "The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act."

(4) Page 2, strike out lines 20 to 24, inclusive, and insert in lieu thereof the following:

"Sec. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows:

"(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel, except that—

"(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

"(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) No more than four hundred fifty such positions shall be established on and after July 1, 1961."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEW YORK-NEW JERSEY TRANSPORTATION AGENCY

The Clerk called the joint resolution (H.J. Res. 403) granting consent of Congress to a compact entered into between the State of New York and the State

of New Jersey for the creation of the New York-New Jersey Transportation Agency.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, will someone explain the necessity for this proposed legislation?

Mr. CELLER. Mr. Speaker, this bill seeks to help the commuters who live in New Jersey and who go into New York. For example, the ferry systems of the various railroads have been discontinued. Efforts are now being made by the Governors of the States of New York and New Jersey to set up a Transportation Authority to wrestle with this problem of the transportation of these commuters, and to solve it. It is a very vexatious problem. The governors and various interested groups in both States have been using all their wits and ingenuity to try to come to some helpful conclusions. We believe this will be of great help—this compact between the two States.

Mr. GROSS. Cannot the States of New York and New Jersey settle their transportation problems without coming to the Congress for legislation?

Mr. CELLER. They cannot do it because it involves a compact. Under the Constitution a compact is inoperative between two States unless consent of Congress is obtained. That is why we are here.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I would like to call the gentleman's attention to the fact that the legislatures in both States have acted. They have decided that this may be a solution of this vexatious problem. Now the question is, does the Congress of the United States under the Constitution approve the agreement entered into between the two States? The sole function of the Committee on the Judiciary in matters of this sort is to examine into the constitutionality of the action taken by the two States in their sovereign capacity.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FRELINGHUYSEN. Mr. Speaker, I would like to add that every member of the New Jersey delegation has introduced a similar resolution to the one we are considering. This involves nothing on the part of the Federal Government except approval of the bistate compact. I hope it does lead, as the gentleman from Pennsylvania [Mr. WALTER] has suggested, to a solution of this transportation problem. The commuters are faced with a serious situation here. We are not asking for any assistance, it is purely a question of the two States getting together to work out a long-range solution.

Mr. GROSS. Mr. Speaker, now may I have the assurance of the gentleman from New York [Mr. CELLER] that this is not going to lead to opening some

door for the expenditure of money obtained from all the taxpayers of this country to help the States of New York and New Jersey to settle their transportation difficulties?

Mr. CELLER. Mr. Speaker, I give the gentleman absolute assurance in that regard.

Mr. GROSS. That this is not going to cost the taxpayers of the entire country any money?

Mr. CELLER. It will not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the State of New York and the State of New Jersey have entered into a certain compact known as the New York-New Jersey Transportation Agency Compact, by means of concurrent legislation to that end, being chapter 420 of the Laws of New York of 1959, and chapter 13 of the Laws of New Jersey of 1959 as well as the Act of March 4, 1959, of the Laws of New Jersey, for the development and execution of interim plans and the preparation of a long-range plan to deal with problems of mass transit systems for the transportation by common carrier of passengers to or across the Hudson River, or both, with respect to those phases with which either of the States, acting alone, cannot deal effectively: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress, subject to the provisions and conditions of section 2 of this joint resolution, is hereby given to the States of New York and New Jersey for the New York-New Jersey Transportation Agency Compact, and to each and every part and article thereof: Provided, That nothing contained in said compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the compact or the power of Congress, pursuant to the United States Constitution, over interstate or foreign commerce. Such compact reads as follows:

"NEW YORK-NEW JERSEY TRANSPORTATION AGENCY COMPACT"

"Article 1"

"Legislative Declaration"

"1.1 Findings and policy. The legislatures of the State of New York and the State of New Jersey, respectively, hereby find and declare that:

"(a) Provision for efficient and proper transportation of commuters and other persons by public mass transit methods within and between the states of New York and New Jersey is essential to the commerce, defense, and general welfare of the two states, and is in the public interest.

"(b) Recent trends toward decay of existing mass transit systems, particularly in respect to those carrying passengers to or across the Hudson river or both, have created a condition of impending emergency requiring prompt action for the establishment on an interim basis of an operating system or systems designed to make the most effective use of existing facilities and services with the least financial hardship upon the operators thereof consistent with public needs.

"(c) The present and future transit needs of the two states call for prompt development of an interim plan for the coordinated and integrated use of existing transit facilities and services, as well as for preparation of a long-range plan for a more permanent resolution of these problems. Present uncertainties as to the nature and extent of any acceptable and feasible long-range plan, as well as to the capital and operating costs of such a plan, require that such questions

be inquired into upon the basis of experience accumulated in the operation of an interim plan.

"(d) It is therefore the policy of the two states to provide a method for the common handling and disposition by a single agency of the two States of those phases of the development and execution of an interim plan and the preparation of a long-range plan with which either of the States, acting alone, cannot deal effectively.

"(e) The development and execution of an interim plan, as well as the preparation of a general plan, can and should be accomplished by a bi-state agency, to serve as an agency of the states and to have the full assistance and cooperation by all persons and agencies, private and public, of either or both of the states within the proper limits of its own functions and duties.

"1.2. Means to be employed. The legislatures of the states of New York and New Jersey, respectively, further find and declare that the common aspects of the transportation requirements of the two states require concurrent action of the two states to create a bi-state agency, vesting with such power and duties as are necessary and proper for its initial functions, and providing for such additional powers and duties on its part as subsequent concurrent legislation may provide.

"Article 2"

"General Provisions"

"2.1. Definitions. For the purposes of this compact, and of concurrent legislation enacted in furtherance thereof, unless and until the context plainly requires a different meaning:

"(a) 'Transportation agency' means the New York-New Jersey transportation agency established by and pursuant to this compact.

"(b) 'Concurrent legislation' means a statute adopted by one of the states party to this compact which is concurred in by the other state party to this compact in the form of a like enactment.

"(c) 'Facility' or 'transit facility' means any real or personal property, including equipment, and any interest therein, to be used, constructed, required, or otherwise provided in connection with the providing of transit services.

"(d) 'Transit', 'transit service', 'mass transit service' or any like term means those activities in the two states that are directed primarily to the transportation of commuters interstate by common carriers and secondarily to such transportation of commuters intrastate and of all other persons interstate and intrastate.

"2.2. Interpretation of the compact. The states of New York and New Jersey intend by this compact to exercise the powers reserved to the states under the constitution of the United States with regard to transit services by whatever facilities or combination thereof are found necessary and proper. This compact shall be liberally construed to effectuate such intention. Nothing contained herein shall be deemed in any way to limit or restrict the power of either state by law or otherwise to deal independently within its own boundaries as to any matter within the scope of this compact so long as any action taken is not in conflict with any plan approved by concurrent legislation.

"Article 3"

"New York-New Jersey Transportation Agency"

"3.1. Transportation agency created. There is hereby created an agency, which shall be an interstate body, both corporate and public, to serve as a public agency of the states of New York and New Jersey in dealing with matters affecting public mass transit within and between the two states.

"3.2. Name. The name of this public corporation shall be New York-New Jersey

transportation agency, or such other name as may hereafter be provided by concurrent legislation.

"3.3. Territorial jurisdiction. The territory as to which the transportation agency shall function shall be the territory encompassed within the legal boundaries of the state of New York and of the counties of Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset and Union in the state of New Jersey, and particularly those portions of such territory from or to which a substantial number of persons commute regularly between the states of New York and New Jersey from and to their homes and places of business. The territorial jurisdiction of the transportation agency may be enlarged or reduced by concurrent legislation hereafter enacted.

"3.4. Administrative organization. (a) The transportation agency shall be composed of two members, one of whom shall be designated by the governor of each of the states with the advice and consent of the senate of such state unless otherwise provided by the law of the state for which such member is designated. Each member of the transportation agency shall be a person who is an official of the state for which he is designated and whose official duties within the state include the duty of dealing with transportation problems. Each member shall hold office at the pleasure of the governor of the state for which he is designated.

"(b) The transportation agency's functions shall be performed and carried out by said members and by such employees as may be appointed by said members, subject to their direction and control. All such employees shall hold office at the pleasure of said members, who shall fix their compensation and other terms of their employment.

"(c) The transportation agency shall act by resolution concurred in and adopted by both said members. The vote of a member shall be subject to the veto of the governor of the state for which he is designated, to be exercised within ten days after receipt by said governor of a certified copy of such resolution, Saturdays, Sundays, and legal holidays in such state excepted.

"(d) The members of the transportation agency shall receive no compensation for their services pursuant to this act, but they shall be entitled to be paid the expenses actually and necessarily incurred by them in the performance of their duties.

"3.5. Powers and duties of the transportation agency; interim plan. (a) The transportation agency shall promptly undertake a study of the conditions relating to transit services, and shall enter into negotiations and agreements with railroads, bus companies, and other common carriers rendering such services, as well as with municipalities, counties, and any public authority or agency of either or both of the states, for the purpose of preparing as rapidly as possible the exact terms of an interim plan or plans for the preservation, coordination, consolidation, integration, and improvement of essential transit facilities and services, so that there may be established transit services which will make the best possible use of existing transit facilities and services, and of such additional transit facilities and services as may be proposed as the result of such negotiations and agreements, consistent with the greatest possible reduction in financial deficit or deficits arising therefrom, if any, on the part of the contracting operators thereof. All such negotiations shall be directed to the execution of operating and facility agreements which shall contain provisions rendering the same binding upon the parties thereto on condition that all related agreements therein specified shall be entered into and that all of such agreements be approved by concurrent legislation.

86TH CONGRESS
1ST SESSION

H. R. 6059

IN THE SENATE OF THE UNITED STATES

JULY 7, 1959

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 505 of the Classification Act of 1949,
4 as amended (5 U.S.C. 1105), is amended by adding the
5 following new subsection at the end thereof:

6 “(j) The Secretary of Defense is authorized, subject
7 to the standards and procedures prescribed by this Act, to
8 place a total of three hundred seventy-two positions in the

1 Department of Defense in grades 16, 17, and 18 of the
2 General Schedule, as follows:

3 “(1) Not more than three hundred twenty-six such
4 positions shall be in such grades during the period be-
5 ginning on the date of enactment of this subsection and
6 ending on June 30, 1960;

7 “(2) Not more than three hundred forty-nine such
8 positions shall be in such grades during the period be-
9 ginning on July 1, 1960, and ending on June 30, 1961;
10 and

11 “(3) Not more than three hundred seventy-two
12 such positions shall be in such grades on and after July
13 1, 1961.”

14 (b) The total number of positions authorized by section
15 505 (b) of the Classification Act of 1949, as amended (5
16 U.S.C. 1105 (b)), to be placed in grades 16, 17, and 18
17 of the General Schedule of such Act at any time shall be
18 deemed to have been reduced by the number of positions in
19 such grades allocated to the Department of Defense imme-
20 diately prior to the date of enactment of this Act. The
21 respective numbers of positions authorized by such section
22 505 (b) to be placed in grades 17 and 18 of such schedule
23 at any one time shall be deemed to have been reduced by the
24 respective numbers of positions in such grades allocated to

1 the Department of Defense immediately prior to the date
2 of enactment of this Act.

3 (c) Nothing contained in this section shall affect any
4 position existing under authority of section 505 (b) of the
5 Classification Act of 1949, as in effect immediately prior to
6 the date of enactment of this Act, the compensation attached
7 to any such position, and any incumbent thereof, his appoint-
8 ment thereto, and his right to receive the compensation at-
9 tached thereto, until appropriate action is taken under au-
10 thority of subsection (j) of section 505 of the Classification
11 Act of 1949 as contained in the amendment made by sub-
12 section (a) of this section.

13 SEC. 2. Section 1581 (a) of title 10, United States
14 Code, as modified by section 12 (a) of the Federal Em-
15 ployees Salary Increase Act of 1958 (72 Stat. 213), and as
16 amended by section 3 of the Act of May 29, 1959 (73 Stat.
17 63; Public Law 86-36), is amended to read as follows:

18 “(a) The Secretary of Defense may establish not more
19 than four hundred fifty civilian positions in the Department
20 of Defense to carry out research and development relating
21 to the national defense, military medicine, and other activities
22 of the Department of Defense that require the services of
23 specially qualified scientists or professional personnel, except
24 that—

1 “(1) Not more than three hundred forty-six such
2 positions shall be established during the period beginning
3 on the date of enactment of the Act by which this amend-
4 ment is made and ending on June 30, 1960;

5 “(2) Not more than four hundred such positions
6 shall be established during the period beginning on July
7 1, 1960, and ending on June 30, 1961; and

8 “(3) Not more than four hundred fifty such posi-
9 tions shall be established on and after July 1, 1961.”

10 SEC. 3. The first sentence of section 1582 of title 10,
11 United States Code, is amended to read as follows: “The
12 Secretary of Defense shall report to Congress not later than
13 February 1 of each year on the number of positions estab-
14 lished under section 1581 of this title during the immediately
15 preceding calendar year.”

 Passed the House of Representatives July 6, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

JULY 7, 1959

Read twice and referred to the Committee on Post
Office and Civil Service

86TH CONGRESS
1ST SESSION

S. 2461

IN THE SENATE OF THE UNITED STATES

JULY 29, 1959

Mr. JOHNSTON of South Carolina introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To amend the Federal Employees' Group Life Insurance Act of 1954.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 3 (d) of the Federal Employees' Group Life
4 Insurance Act of 1954 is repealed.

5 SEC. 2. Section 5 (a) of such Act is amended by strik-
6 ing out the words "under age sixty-five".

7 SEC. 3. Section 6 of such Act is amended to read as
8 follows:

9 "SEC. 6. Each policy purchased under this Act shall
10 contain a provision, in terms approved by the Commission,
11 to the effect that any insurance thereunder on any employee

1 shall cease upon his separation from the service or twelve
2 months after discontinuance of his salary payments, which-
3 ever first occurs, subject to a provision which shall be con-
4 tained in the policy for temporary extension of coverage
5 and for conversion to an individual policy of life insurance
6 under conditions approved by the Commission, except that
7 if upon such date as the insurance would otherwise cease
8 the employee retires on an immediate annuity and (a) his
9 retirement is for disability or (b) he has completed twelve
10 years of creditable service, as determined by the Commission,
11 his life insurance only may, under conditions determined by
12 the Commission, be continued without cost to him, but the
13 amount of such insurance shall be reduced by 1 per centum
14 thereof at the end of each full calendar month following
15 the date the employee attains age sixty-five or retires, which-
16 ever is later, subject to minimum amounts prescribed by the
17 Commission, but not less than 50 per centum of the insurance
18 in force preceding the first such reduction. Periods of honor-
19 able active service in the Army, Navy, Air Force, Marine
20 Corps, or Coast Guard of the United States shall be credited
21 toward the required twelve years provided the employee
22 has completed at least five years of civilian service.”

23. SEC. 4. Section 5 (a) of such Act is amended by striking
24 out “25 cents” and inserting in lieu thereof “32 cents”.

25 SEC. 5. (a) The amendments made by sections 1, 2,

1 and 3 shall take effect as of August 17, 1954, except that
2 (1) they shall not be applicable in any case in which the
3 employee's death or retirement occurred prior to the date of
4 enactment of this Act, and (2) nothing therein shall be
5 construed to require salary withholdings for any period prior
6 to the first day of the first pay period which begins after
7 the date of enactment of this Act.

8 (b) The amendments made by section 4 shall take
9 effect as of the first day of the first pay period which begins
10 after the date of enactment of this Act.

86TH CONGRESS
1ST SESSION

S. 2461

A BILL

To amend the Federal Employees' Group Life Insurance Act of 1954.

By Mr. JOHNSTON of South Carolina

JULY 29, 1959

Read twice and referred to the Committee on Post Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate committee reported amendments to Public Law 480 bill. House committee reported housing bill. House subcommittee voted to report bill to require marketing quotas for rice.

SENATE

1. FOREIGN TRADE; SURPLUS COMMODITIES. The Agriculture and Forestry Committee reported amendments to S. 1748, to extend Public Law 480 (p. 15478). The "Daily Digest" states that the committee amendments include a 3-year extension of the law (p. D821). Sen. Johnston expressed his support for an amendment proposed by Sen. Butler "to provide that shipments of surplus agricultural commodities destined to foreign countries exported under the Public Law 480 program, must be delivered directly to the export vessel at a U. S. port." Several Senators expressed opposition to the proposed amendment, (pp. 15536-8).

2. SILK IMPORTS. The Finance Committee reported without amendment H. R. 2886, to suspend for 3 years, beginning 60 days from date of enactment, the import duties on certain classification of spun silk yarn (S. Rept. 311). p. 15474

3. CREDIT UNIONS. The Banking and Currency Committee reported with amendments H. R. 3305, to make various amendments to the Federal Credit Union Act (S. Rept. 314). p. 15474

4. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) the following bills: ~~H. R. 5752, to grant Federal employees legal holidays on Friday for holidays occurring on Saturday;~~ and H. R. 6059, to provide additional civilian positions for the Department of Defense for scientific research and development, with an amendment to include the text of S. 2461, to amend the Federal Employees Group Life Insurance Act of 1954 to eliminate the provision reducing the amount of insurance after age 65. p. D822

The Post Office and Civil Service Committee voted, 6 to 3, to postpone action until next year on S. 1638, to establish an Office of Personnel Management and revise the functions of the Civil Service Commission. p D822

5. PROPERTY. The Government Operations Committee voted to report (but did not actually report) the following: S. J. Res. 121, without amendment, to permit certain property conveyed by this Department to the La. State University and Agricultural and Mechanical College to be used for general educational purposes; S. 155, with amendment, to permit the donation of Government surplus property to libraries which are tax-supported or publicly owned and operated; S. 1018, with amendment, to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work; and S. 910, with amendment, to authorize the payment to local governments of sums in lieu of taxes and special assessments on Federal property (the "Daily Digest" states that prior to approval of this bill the committee rejected a motion by Sen. Mundt to substitute the language of his bill, S. 1417, to establish a temporary Commission on Federal Contributions to State and Local Governments). p. D821

6. PUBLIC LANDS; WILDLIFE. Passed without amendment H. R. 2725, to prohibit the use of aircraft or motor vehicles to hunt wild horses or burros on Federal lands. This bill will now be sent to the President. pp. 15493-7

7. BUILDINGS. Passed with amendment H. R. 7645, to grant GSA additional authority for the construction, alteration, and acquisition of Federal buildings. Senate conferees were appointed. A similar bill, S. 1654, was indefinitely postponed. pp. 15528-33

8. FOREIGN TRADE. Passed with amendment H. R. 2411, to provide for the free importation of tourist literature after agreeing to an amendment by Sen. Yarborough to delete a section which would have increased the import duty on wood moldings. pp. 15514-23, 15526

9. CLAIMS; CIVIL DEFENSE. Received from the President supplemental appropriation estimates to pay claims for damages and judgments against the U. S. (S. Doc. 48), and for "salaries and expenses" of the Office of Civil and Defense Mobilization (S. Doc. 49). p. 15474

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: House received conference report on bill to extend authority for refinancing farm loans. House committee reported bill to increase salaries of Administrative Assistant Secretaries. Rep. Breeding introduced and discussed bill to extend and expand conservation reserve program.

SENATE

- 1. CIVIL DEFENSE.** Both Houses received from the Office of Civil and Defense Mobilization the quarterly report of Federal contributions for the quarter ending June 30, 1959, pertaining to project applications of the States, territories, and possessions. pp. 16552, 16334
- 2. AUDIT REPORT.** Both Houses received from the Comptroller General a report on the audit of the Development Loan Fund for the fiscal year ended June 30, 1958 (H. Doc. 223). pp. 16334, 16552

3. MARGARINE. The Armed Services Committee reported without amendment S. 2168, to amend the Navy ration statute so as to provide for the serving of oleo-margarine or margarine (S. Rept. 894). p. 16335
4. RESEARCH; SCIENCE. The Post Office and Civil Service Committee reported with amendments H. R. 6059, to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense and to improve the management of the activities of such Department (S. Rept. 882). p. 16335
5. RADIOACTIVITY. The Interstate and Foreign Commerce Committee reported with amendments S. 1806, to revise the "Explosives and Combustibles" transportation chapter of the Criminal Code to include the transportation of radioactive materials and etiologic agents as an illegal act (S. Rept. 901). p. 16335
6. CONSERVATION CORPS. Sen. Clark inserted an article explaining that a Youth Conservation Corps established for Philadelphia youths, which program is similar to that proposed in the Youth Conservation Corps bill (S. 812) that recently passed the Senate, has been a success. pp. 16339-40
7. INTEREST RATES; INFLATION. Sen. Robertson inserted his speech stating that "continued high interest rates must be regarded as a necessary price to be paid for the failures of fiscal policy and the avoidance of inflation" (p. 16340). Sen. Clark stated that interest rates in general had risen since the President made his request to raise interest rates on Government obligations, and urged that Congress adjourn without acting on the President's proposal, stating that such refusal to act might have a psychological effect of bringing interest rates down "to a more reasonable figure." Sen. Bush and others debated the subject. pp. 16366-71
8. LEGISLATIVE PROGRAM. Sen. Johnson received consent to delay until today (Sept. 4) consideration of S. 1748, to extend Public Law 480, and stated that the Senate may be in session until late tonight considering this bill. He announced that on Sat., the calendar would be called, that on Mon., the report on the highway bill would probably be taken up and after that the Government bond interest rate increase bill and the mutual security appropriation bill would be considered. He stated that the Senate would be in session both Sat. and Mon. (Labor Day). p. 16434, 16435.

HOUSE

9. FARM LOANS. Received the conference report on H. R. 7629, to extend the authority of the Farmers' Home Administration to make real estate loans for refinancing farm debts (H. Rept. 1141). As reported the bill extends this authority for 2 years, until June 30, 1961 (as was previously amended by the Senate), and retains the House language to provide that growing or recently harvested crops shall be included in computing a farmer's assets in making loans under this authority. pp. 16512, 16553
10. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 1845, which as passed by the Senate provided for an increase in the salaries of certain Administrative Assistant Secretaries, including this Department, to \$19,000 per annum, and authorized the Secretary of Commerce to fix the annual rates of basic compensation of examiners-in-chief of patents, subject to the approval of the Civil Service Commission (H. Rept. 1138)

SUPERGRADE AND SCIENTIFIC, RESEARCH AND DEVELOPMENT POSITIONS FOR DEPARTMENT OF DEFENSE

SEPTEMBER 3 (legislative day, AUGUST 31), 1959.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany H.R. 6059]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 6059) to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

1. Page 2, line 2, strike out the comma after the word "Schedule" and all that follows on down through all of line 13 except the period at the end thereof.
2. Page 3, line 23, strike out the comma after the word "personnel" and all that follows on down through all of line 9, page 4, except the period at the end thereof.
3. Page 4, following line 15, insert all of new section 4.

PURPOSE OF AMENDMENTS

Amendments 1 and 2 will give the Department of Defense the additional positions provided by the bill at once instead of on a staggered basis extending over a period of 2 years.

Amendment 3 liberalizes the Federal Employees Group Life Insurance Act in a number of respects.

EXPLANATION

Supergrade positions

Section 1 authorizes the Secretary of Defense to place a total of 372 positions in grades 16, 17, and 18 of the general schedule of the Classification Act.

This authority replaces existing law under which the Civil Service Commission allocates supergrade positions to the Department of Defense out of the grand total available to the Commission for allocation to all departments and agencies of the Government. The grand total of such positions which the Commission is presently authorized to allocate is reduced by the number of such positions it has allocated to the Department of Defense at the time this legislation becomes effective.

On June 1, 1959, the allocation to the Department of Defense was 303 such positions as compared to 372 made available by the bill. The difference of 69 is the number of additional such positions provided by the bill. Under the bill—prior to committee amendment No. 1—23 such positions would become immediately available; 23 more would become available July 1, 1960; and the final 23 would become available July 1, 1961. The bill as amended makes all 69 positions available upon enactment.

It is to be noted that the specific requirement of section 505(a) of the Classification Act of 1949, that no position shall be placed in grades 16, 17, or 18 except by approval of a majority of the three members of the Commission, remains in effect.

Scientific positions

Section 2 authorizes the Secretary of Defense to establish a total of 450 civilian positions to carry out research and development relating to the national defense that require the services of specially qualified scientific or professional personnel. This is an increase of 158 in existing authority which permits the establishment of 292 such positions. Under the bill—prior to committee amendment No. 2—54 such positions would become immediately available; 54 more would become available July 1, 1960; and the remaining 50 would become available July 1, 1961. The bill as amended makes all 158 such positions available upon enactment.

The salary range for these positions is \$12,500 to \$19,000 per year depending on the job requirements and the qualifications of the individual. Both the salary and the qualifications of the individual are subject to approval by the Civil Service Commission.

Federal employees group life insurance

(a) *Benefits.*—Section 4 of the bill as reported liberalizes the Federal Employees Group Life Insurance Act as follows:

1. The full amount of life insurance would continue without reduction so long as the employee remains in the service. Under existing law the insurance is reduced by 2 percent per month upon reaching the age of 65 whether still employed or not until the policy has been reduced to 25 percent of its face value.

2. The reduction at age 65 or upon separation from the service whichever occurs later would be cut to 1 percent per month and would cease when the policy has been reduced to 50 percent of its face value.

3. The 15-year service requirement for free insurance after retirement on an immediate annuity would be reduced to 12 years.

(b) *Contributions.*—The bill increases from 25 cents to 32 cents the maximum biweekly deduction per \$1,000 of group life insurance which is withheld from the salaries of insured employees under the age of 65. Employees over age 65, who now have no insurance deductions from their salaries, would, under the bill, be subject to deductions in the future at the same rate as employees under age 65.

JUSTIFICATION

Supergrade, scientific positions, Department of Defense

Public hearings on this portion of the bill were held in the House on May 11, 1959, and in the Senate on July 23, 1959.

The Department of Defense and the Civil Service Commission testified in favor of the measure. No adverse testimony was offered.

The hearings developed that the Department of Defense has received its allocation of supergrade positions out of the number of such positions available to the Civil Service Commission for distribution among the various departments and agencies of the Government. This situation has created two rather serious problems. First, the Department of Defense has many positions which the Civil Service Commission has recognized as properly allocable to grades GS-16, GS-17, or GS-18 but which cannot be done because none is available in the pool from which the Commission must draw. Second, is the fact that the Department of Defense cannot count on the continued availability of even its existing number of such positions.

The Commission cannot allot any given number of such positions to any agency, under existing language of the Classification Act. This means that when a supergrade position in the Department of Defense becomes vacant, the Commission must make a new determination as to the relative needs of Defense and other agencies for the position. Since it does not follow that Defense will retain title to the position, the situation is one of continued uncertainty and difficulty in planning to meet needs for top-level personnel.

The authority provided in this measure to permit the Secretary of Defense to have a specific number of GS-16, GS-17, and GS-18 positions will permit better planning and utilization of these spaces. The immediate increase in the number of such spaces available to the Department will permit equitable treatment for top personnel in the Department.

The Department testified that a minimum of 450 top scientific and research positions are needed now. These are not new in any sense of the word but are simply higher grade authorizations required to enable the Department to provide equitable treatment for scientists and engineers in positions of comparable significance and responsibility at the top levels throughout the Department.

The Senate approved a similar provision during the 2d session of the 85th Congress. The conferees on the part of the House would not, at that time, agree to accept it.

Federal Employees Group Life Insurance Act

The committee is of the opinion that no reduction should be made in the face value of an employee's life insurance policy during such time as he continues in an active status. Certainly, if his economic situation requires that he continue to work it can be assumed that he or his estate can ill afford to absorb the reduction that now occurs in

the value of his insurance upon reaching the age of 65 whether or not he is still employed.

Likewise, the committee is strongly of the opinion that the current reduction of 2 percent a month until the face value of a policy has been reduced to 25 percent of its original value is both too rapid a cut and too deep a cut.

The Senate unanimously approved this provision during the 1st session of the 85th Congress. The House failed to concur.

In correction of these two situations the bill provides that no reduction shall occur so long as the individual continues to be employed and that when the reduction does occur—either at age 65 or upon separation whichever occurs later—it will be only one-half as rapid and one-half as deep as at present.

SECTIONAL ANALYSIS

Subsection (a) of the first section amends section 505 of the Classification Act of 1949, as amended, to authorize the Secretary of Defense to place a total of 372 positions in grades 16, 17, and 18 of the general schedule of such act. This increases the number of such positions available to the Department of Defense by 69.

Subsection (b) of the first section provides that the total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended, to be placed in grades 16, 17, and 18 of the general schedule of such act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the enactment of this measure.

Subsection (c) of the first section continues in effect all positions existing immediately before enactment of this measure, and the compensation and other rights affecting the incumbents thereof, until the Secretary of Defense takes appropriate action with respect thereto as authorized by this measure.

Section 2 amends section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958, and as amended by section 3 of the act of May 29, 1959, to authorize the Secretary of Defense to establish 450 scientific research and development positions instead of the 292 he is currently authorized to establish. This represents an increase in authorization of 158 positions.

Section 3 continues in effect the existing requirement of law with respect to an annual report to Congress but changes the reporting date in order to facilitate the preparation of the report on a full calendar year basis.

Section 4(a) repeals section 3(d) of the Federal Employees Group Life Insurance Act. This is the section which provides that the amount of group life insurance in force at age 65 be reduced by 2 percent thereof at the end of each full calendar month following the date the employee attains age 65, subject to a minimum amount of not less than 25 percent of the insurance in force immediately preceding the first reduction. This section is made unnecessary by an amendment to section 6(b) which provides that the reduction shall be 1 percent per month subject to a total reduction of not over 50 percent of the insurance in force immediately preceding the reduction.

Section 4(b) amends section 5(a) of the Federal Employees Group Life Insurance Act by striking out the words "under age sixty-five". Salary deductions for the employees' share of the cost of his group insurance now cease when he reaches his 65th birthday. The effect of this amendment is to require insurance deductions (and agency contributions) without regard to age so long as the individual continues to be employed.

Section 4(c) amends section 6 of the Federal Employees Group Life Insurance Act. The effect of this amendment is twofold: First, the present 15-year requirement for continued insurance after retirement on an immediate annuity is reduced to 12 years; and, second, the rate and amount of reduction upon reaching the age of 65 or retirement whichever occurs later are cut in half.

Section 4(d) amends section 5(a) of the Federal Employees Group Life Insurance Act so as to increase from 25 cents to 32 cents the maximum biweekly deduction per \$1,000 of group life insurance which is withheld from the salaries of insured employees regardless of their age.

Section 4(e) fixes the effective dates of the various provisions of section 4. The requirement for employee deductions after age 65 and the higher deduction rate of 32 cents would become effective on the first day of the first pay period which begins after the date of enactment. The benefit liberalizations would apply to all persons still in service as active employees. This means that for employees still in the service who have attained age 65, reductions effected under present law would be restored.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 505 OF THE CLASSIFICATION ACT OF 1949 (5 U.S.C. 1105)

SEC. 505. (a) No position shall be placed in grade 16, 17, or 18 of the General Schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed fifteen hundred and thirteen) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed four hundred and one for grade 17 and one hundred and fifty-nine for grade 18.

(c) The number of positions of senior specialists in the Legislative Reference Service of the Library of Congress allocated to grades 16, 17, and 18 of the General Schedule by reason of the proviso contained in section 203(b)(1) of the Legislative Reorganization Act

of 1946 (60 Stat. 836; 2 U.S.C., sec. 166(b)(1)) shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(d) The Comptroller General of the United States is authorized, subject to the procedures prescribed by this section, to place a total of twenty-five positions in the General Accounting Office in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(e) The Director of the Federal Bureau of Investigation, United States Department of Justice, is authorized, without regard to any other provision in this section, to place a total of seventy-five positions in the Federal Bureau of Investigation in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The National Security Council is authorized, subject to the procedures prescribed by this section, to place two additional positions in grade 18, one additional position in grade 17, and two additional positions in grade 16 of the general schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

(f) The Director of the Administrative Office of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(g) The Commissioner of Immigration and Naturalization is authorized to place a total of eleven positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades. Such reductions shall be deemed to have occurred in the following order: first, from any number specifically authorized for such agency under this section, and second, from the maximum number of positions authorized to be placed in such grades under subsection (b) irrespective of the agency to which such positions are allocated.

(i) Appointments to positions in grades 16, 17, and 18 of the General Schedule shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees, except that this subsection shall not apply to those positions—

(1) provided for in subsection (e) of this section;

(2) to which appointments are made by the President alone or by the President by and with the advice and consent of the Senate; and

(3) for which the compensation is paid from (A) appropriations for the Executive Office of the President under the headings "The White House Office", "Special Projects", "Council of Economic Advisers", "National Security Council", "Office of Defense

Mobilization", and "President's Advisory Committee on Government Organization", or (B) funds appropriated to the President under the heading "Emergency Fund for the President, National Defense" by the General Government Matters Appropriation Act, 1959, or any subsequent Act making appropriations for such purposes.

(j) *The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule.*

SECTIONS 1581(a) AND 1582 OF TITLE 10 OF THE UNITED STATES CODE

§ 1581. Appointment: professional and scientific services

(a) The Secretary of Defense may establish not more than [two hundred and ninety-two] *four hundred and fifty* civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

* * * * *

§ 1582. Professional and scientific services: reports to Congress on appointments

The Secretary of Defense shall report to Congress *not later than February 1 of each* [calendar] year on the number of positions established under section 1581 of this title during [that] *the immediately preceding* calendar year. The report shall list the name, rate of compensation, functions, and qualifications of each incumbent. However, the Secretary may omit any item if he considers that a full public report on it would be detrimental to the national security. In such a case, he shall present the information, in executive session, to such committees of the Senate and the House of Representatives as are designated by the presiding officers of those bodies.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ACT OF 1954

* * * * *

SEC. 3. (a) * * *

(b) * * *

(c) * * *

[(d) Each of such amounts of insurance shall be reduced by 2 per centum thereof at the end of each full calendar month following the date the employee attains age sixty-five, subject to minimum amounts prescribed by the Commission, but not less than 25 per centum of the insurance in force immediately preceding the first reduction provided herein: *Provided*, That the amounts of insurance in force from time to time on an employee who becomes insured under this Act after having attained the age of sixty-five shall be the same as would

be in force had he been insured at age sixty-five, and shall be based on the lesser of his annual compensation (1) at the time he becomes so insured, or (2) at age sixty-five, provided he was eligible at that time to be insured under this Act.】

* * * * *

SEC. 5. (a) During any period in which an employee [under age sixty-five] is insured under a policy of insurance purchased by the Commission as authorized in section 7 of this Act, there shall be withheld from each salary payment of such employee, as his share of the cost of his group life and accidental death and dismemberment insurance, an amount determined by the Commission, but not to exceed the rate of [25] 32 cents biweekly for each \$1,000 of his group life insurance: *Provided*, That an employee who is paid on other than a biweekly basis shall have an amount so withheld, determined at a proportionate rate, which rate shall be adjusted to the nearest cent. * * *

* * * * *

SEC. 6. (a) Each policy purchased under this Act shall contain a provision, in terms approved by the Commission, to the effect that any insurance thereunder on any employee shall cease upon his separation from the service or twelve months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission.

(b) If upon such date as the insurance would otherwise cease the employee retires on an immediate annuity and (1) his retirement is for disability or (2) he has completed [fifteen] *twelve* years of creditable service, as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him [in the amounts for which he would have been insured from time to time had his salary payments continued at the same rate as on the date of cessation], *but the amount of such insurance shall be reduced by 1 per centum thereof at the end of each full calendar month following the date the employee attains age sixty-five or retires, whichever is later, subject to minimum amounts prescribed by the Commission, but not less than 50 per centum of the insurance in force preceding the first such reduction.* Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required [fifteen] *twelve* years provided the employee has completed at least five years of civilian service.

(c) If upon such date as the insurance would otherwise cease the employee is receiving benefits under the Federal Employees' Compensation Act because of disease or injury to himself, his life insurance may, as provided in subsection (b), be continued during the period he is in receipt of such benefits and held by the United States Department of Labor to be unable to return to duty.

Calendar No. 909

86TH CONGRESS
1ST SESSION

H. R. 6059

[Report No. 882]

IN THE SENATE OF THE UNITED STATES

JULY 7, 1959

Read twice and referred to the Committee on Post Office and Civil Service

SEPTEMBER 3 (legislative day, AUGUST 31), 1959

Reported by Mr. JOHNSTON of South Carolina, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 505 of the Classification Act of 1949,
4 as amended (5 U.S.C. 1105), is amended by adding the
5 following new subsection at the end thereof:

6 “(j) The Secretary of Defense is authorized, subject
7 to the standards and procedures prescribed by this Act, to
8 place a total of three hundred seventy-two positions in the
9 Department of Defense in grades 16, 17, and 18 of the

10 General Schedule, ~~as follows:~~

1 ~~“(1) Not more than three hundred twenty-six such~~
2 positions shall be in such grades during the period be-
3 ginning on the date of enactment of this subsection and
4 ending on June 30, 1960;

5 ~~“(2) Not more than three hundred forty-nine such~~
6 positions shall be in such grades during the period be-
7 ginning on July 1, 1960, and ending on June 30, 1961;
8 and

9 ~~“(3) Not more than three hundred seventy-two~~
10 such positions shall be in such grades on and after July
11 1, 1961.”

12 (b) The total number of positions authorized by section
13 505 (b) of the Classification Act of 1949, as amended (5
14 U.S.C. 1105 (b)), to be placed in grades 16, 17, and 18
15 of the General Schedule of such Act at any time shall be
16 deemed to have been reduced by the number of positions in
17 such grades allocated to the Department of Defense imme-
18 diately prior to the date of enactment of this Act. The
19 respective numbers of positions authorized by such section
20 505 (b) to be placed in grades 17 and 18 of such schedule
21 at any one time shall be deemed to have been reduced by the
22 respective numbers of positions in such grades allocated to
23 the Department of Defense immediately prior to the date
24 of enactment of this Act.

25 (c) Nothing contained in this section shall affect any

1 position existing under authority of section 505 (b) of the
2 Classification Act of 1949, as in effect immediately prior to
3 the date of enactment of this Act, the compensation attached
4 to any such position, and any incumbent thereof, his appoint-
5 ment thereto, and his right to receive the compensation at-
6 tached thereto, until appropriate action is taken under au-
7 thority of subsection (j) of section 505 of the Classification
8 Act of 1949 as contained in the amendment made by sub-
9 section (a) of this section.

10 SEC. 2. Section 1581 (a) of title 10, United States
11 Code, as modified by section 12 (a) of the Federal Em-
12 ployees Salary Increase Act of 1958 (72 Stat. 213), and as
13 amended by section 3 of the Act of May 29, 1959 (73 Stat.
14 663; Public Law 86-36), is amended to read as follows:

15 “(a) The Secretary of Defense may establish not more
16 than four hundred fifty civilian positions in the Department
17 of Defense to carry out research and development relating
18 to the national defense, military medicine, and other activities
19 of the Department of Defense that require the services of
20 specially qualified scientists or professional personnel, ~~except~~
21 ~~that—~~

22 “~~(1) Not more than three hundred forty-six such~~
23 ~~positions shall be established during the period beginning~~
24 ~~on the date of enactment of the Act by which this amend-~~
25 ~~ment is made and ending on June 30, 1960;~~

1 ~~“(2) Not more than four hundred such positions~~
 2 shall be established during the period beginning on July
 3 1, 1960, and ending on June 30, 1961; and

4 ~~“(3) Not more than four hundred fifty such posi-~~
 5 tions shall be established on and after July 1, 1961.”

6 SEC. 3. The first sentence of section 1582 of title 10,
 7 United States Code, is amended to read as follows: “The
 8 Secretary of Defense shall report to Congress not later than
 9 February 1 of each year on the number of positions estab-
 10 lished under section 1581 of this title during the immediately
 11 preceding calendar year.”

12 SEC. 4. (a) Section 3(d) of the Federal Employees’
 13 Group Life Insurance Act of 1954 is repealed.

14 (b) Section 5(a) of such Act is amended by striking
 15 out the words “under age sixty-five”.

16 (c) Section 6 of such Act is amended to read as follows:

17 “SEC. 6. (a) Each policy purchased under this Act
 18 shall contain a provision, in terms approved by the Commis-
 19 sion, to the effect that any insurance thereunder on any em-
 20 ployee shall cease upon his separation from the service or
 21 twelve months after discontinuance of his salary payments,
 22 whichever first occurs, subject to a provision which shall be
 23 contained in the policy for temporary extension of coverage
 24 and for conversion to an individual policy of life insurance
 25 under conditions approved by the Commission.

1 “(b) If upon such date as the insurance would otherwise
2 cease the employee retires on an immediate annuity and (1)
3 his retirement is for disability or (2) he has completed twelve
4 years of creditable service, as determined by the Commission, his
5 life insurance only may, under conditions determined by the
6 Commission, be continued without cost to him, but the amount of
7 such insurance shall be reduced by 1 per centum thereof at the
8 end of each full calendar month following the date the employee
9 attains age sixty-five or retires, whichever is later, subject to
10 minimum amounts prescribed by the Commission, but not less
11 than 50 per centum of the insurance in force preceding the
12 first such reduction. Periods of honorable active service in
13 the Army, Navy, Air Force, Marine Corps, or Coast Guard
14 of the United States shall be credited toward the required
15 twelve years provided the employee has completed at least
16 five years of civilian service.

17 “(c) If upon such date as the insurance would otherwise
18 cease the employee is receiving benefits under the Federal
19 Employees' Compensation Act because of disease or injury
20 to himself, his life insurance may, as provided in subsection
21 (b), be continued during the period he is in receipt of such
22 benefits and held by the United States Department of Labor
23 to be unable to return to duty.”

24 (d) Section 5(a) of such Act is amended by striking out
25 “25 cents” and inserting in lieu thereof “32 cents”.

1 *(e)(1) The amendments made by subsections (a), (b),*
2 *and (c) shall take effect as of August 17, 1954, except that*
3 *(1) they shall not be applicable in any case in which the*
4 *employee's death or retirement occurred prior to the date of*
5 *enactment of this Act, and (2) nothing therein shall be*
6 *construed to require salary withholdings for any period prior*
7 *to the first day of the first pay period which begins after*
8 *the date of enactment of this Act.*

9 *(2) The amendments made by subsection (d) shall take*
10 *effect as of the first day of the first pay period which begins*
11 *after the date of enactment of this Act.*

Passed the House of Representatives July 6, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

86TH CONGRESS
1ST SESSION

H. R. 6059

[Report No. 882]

AN ACT

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

JULY 7, 1959

Read twice and referred to the Committee on Post
Office and Civil Service

SEPTEMBER 3 (legislative day, AUGUST 31), 1959

Reported with amendments

Sept 9, 1959

(159)

SENATE

12. APPROPRIATIONS. The Appropriations Committee reported (Sept. 8) with amendments H. R. 8385, the mutual security appropriation bill for 1960 (S. Rept. 981) (p. 17147). In reporting this bill the Committee agreed to amendments to:
- Add an item of \$6,500,000 to be allocated by the Office of Civil and Defense Mobilization for new civil defense activities performed by other Federal agencies. The Budget Estimate of \$9,000,000 included \$477,000 for this Department to provide funds for non-military defense activities.
 - Increase the Development Loan Fund to \$590,000,000.
 - Increase technical cooperation to \$160,000,000.
 - Decrease ocean freight for relief shipments of voluntary agencies to \$1,910,000.
 - Provide that "None of the funds herein appropriated for carrying out mutual assistance or economic development programs, shall be used to provide facilities for, or to increase, the production of any agricultural commodity or product for marketing outside the country of production in competition with any agricultural commodity, or any product thereof, which is in surplus supply in the United States."
 - Add an item of \$12,500,000 for Federal participation in the Century 21 Exposition to be held in Seattle in 1961-2.
 - Extend the Commission on Civil Rights for 2 years and provide \$500,000 additional for its expenses.
 - Add items for payment of claims and judgments against the Government.
13. PERSONNEL. Passed without amendment H. R. 5752, to grant Federal employees legal holidays on Friday for holidays occurring on Saturday. This bill will now be sent to the President. p. 17200
- Passed over, at the request of Sen. Keating, H. R. 6059, to provide additional scientific research and development positions to the Defense Department and to liberalize the Federal Employees Group Life Insurance Act (p. 17212). As reported by the Post Office and Civil Service Committee, the bill provides the following amendments to the Life Insurance Act: Continues the full amount of life insurance without reduction so long as the employee remains in the service; provides that the reduction in insurance at age 65 or upon separation from the service, whichever occurs later, would be cut to 1 percent per month and would cease when the policy has been reduced to 50 percent of its face value; reduces the 15-year service requirement for free insurance after retirement on an immediate annuity to 12 years; and increases from 25 cents to 32 cents the maximum biweekly deduction per \$1000 of group life insurance which is withheld from the salaries of insured employees under the age of 65 effective the first day of the first pay period after date of enactment.
14. HOUSING. By a vote of 86 to 7, passed without amendment S. 2654, the new housing bill. (pp. 17227-41) As passed the bill extends the farm housing research program for 2 additional years (until June 30, 1961), and authorizes appropriations of \$100,000 for this period.
15. WATER POLLUTION. By a vote of 61 to 27, passed with amendments H. R. 3610, to increase grants that may be made by the Public Health Service for the construction of sewage treatment works under the Federal Water Pollution Control Act. pp. 17244, 17252-61
16. RECLAMATION. Passed without amendment H. R. 4279, to authorize the Secretary of the Interior to construct and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division. This bill will now be sent to the President. pp. 17220-2

Passed as reported H. R. 1778, to grant the Interior Department permanent authority for granting deferments in the payment of certain reclamation construction charges. p. 17226

Passed without amendment H. R. 839, to approve an order of the Secretary of the Interior adjusting certain irrigation charges against non-Indian-owned lands under the Wapato Indian Irrigation project, Wash. This bill will now be sent to the President. p. 17204

17. TAXATION. Passed over, at the request of Sen. Keating, S. 910, to authorize the payment to local governments of sums in lieu of taxes and special assessments on certain Federal real property. (p. 17207). Sen. Hruska urged enactment of this bill. p. 17270
18. AIR POLLUTION. Passed with amendments H. R. 7476, to extend for 4 additional years (until June 30, 1964) the authority of the Surgeon General of the Public Health Service with respect to air pollution control. pp. 17208-9
19. LANDS. Passed as reported S. 2061, to authorize the issuance of prospecting permits for phosphate in lands belonging to the U. S. p. 17212
20. OLEOMARGARINE. Passed over, at the request of Sen. Engle, S. 2168, to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine. p. 17213
21. RADIOACTIVITY; RESEARCH. Passed as reported S. 1806, to revise the "Explosives and Combustibles" transportation chapter of the Criminal Code so as to include the transportation of radioactive materials and etiologic agents as an illegal act. pp. 17214-7
22. FOREIGN AFFAIRS. Received from the President a message withdrawing from the Senate certain treaties and understanding, including a "Convention Concerning Statistics of Wages and Hours of Work in the Principal Mining and Manufacturing Industries, Including Building and Construction, and in Agriculture, adopted by the International Labor Conference, Geneva, June 2-22." pp. 17147-8
Passed without amendment S. 2633, to make certain amendments to the Foreign Service Act of 1946, including a provision to facilitate uniform employment practices abroad by all U. S. Government agencies. This latter amendment to the Act would authorize Government agencies performing functions abroad to administer local employee programs in accordance with the applicable provisions of the Foreign Service Act (including authority now available to the State Department in their employment of aliens overseas). pp. 17157-69
23. EXHIBITS; IMPORTS. Postponed indefinitely H. R. 6249, to liberalize the tariff laws for works of art and other exhibition material. Rep. Engle stated that no action was necessary on this bill since its language is covered "by a bill which presently is at the White House" awaiting signature. p. 17207
24. SURPLUS PROPERTY. Received from HEW a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies"; to Government Operations Committee. p. 17152
25. FISH RESEARCH. The Interstate and Foreign Commerce Committee reported without amendment H. R. 5004, to authorize and direct the Interior Department to undertake continuing research on the biology, fluctuations, status, and statistics of the migratory marine species of game fish of the U. S. and contiguous waters (S. Rept. 987). p. 17154

amounts paid for dues or membership fees or as initiation fees (instead of referring only to assessments since this only covers dues).

Second, the exemption is not available in the case of assessments for furnishings and equipment since such amounts are not the facility being constructed or reconstructed. This has presented problems to the Treasury in trying to allocate assessments between the nontaxable portion for construction and the taxable portion for furnishings and fixtures, particularly when the club itself does not know in advance how the assessment will be divided. Therefore, the bill provides an exemption, not only in the case of the construction or reconstruction of a facility, but also for furnishing or equipment (including installation charges) for such a facility. To qualify, the furnishings or equipment must be necessary for use of the facility upon the completion of the work. For example, this would include required furniture, drapes, carpeting, refrigerators, etc., for a new facility, or for any portion of an existing facility which is reconstructed.

Third, there is no indication in the present exemption as to how long after the payment of the assessment the construction or reconstruction may occur, or how specific the plans must be for this construction or reconstruction. As a result, the exemption is limited by the bill to amounts spent within 3 years after the date of payment by the club member. The tax on amounts not so spent becomes payable immediately after the expiration of the 3-year period, and in this case is payable by the club rather than the member. The shift in the incidence of the tax is provided because of the problem which would otherwise be presented in attempting to trace back to members of the club 3 years earlier.

These changes are made effective for amounts paid on or after the first day of the first month beginning more than 10 days after the date of enactment of this bill.

4. Exemption for certain telephone lines used by common carriers, or communications companies

The Excise Tax Technical Changes Act of 1958 made a major revision in the terminology and definitions of the taxable types of communications services.

One of the former taxable categories was "leased wire, teletypewriter, or talking circuit special service." Most of this old category is now in what is called wire mileage service. However, a portion now appears in the category known as general telephone service.

Formerly, leased wires were included in local telephone service when they were entirely within a local exchange area. The 1958 act, however, dropped this distinction and instead included in general telephone service, service which may be connected to a telephone exchange. As a result, "general telephone service" now includes some of the leased wire services beyond a local exchange area.

The problem with which the bill is concerned relates to the exemption previously provided for "leased wire, teletypewriter, or talking circuit special services" in the case of common carriers (such as the railroads, airlines, and trucking companies) and telephone, telegraph, and radio broadcasting companies. The exemption for these carriers or communication companies was continued by the 1958 act for those services classified as "wire mileage service." It is not available, however, for the wire services classified as general telephone services. The denial of this existing exemption was not intended in the 1958 act and the bill therefore corrects this oversight.

The bill deals with this problem by providing an exemption for any telephone line constituting general telephone service used by a common carrier, telephone or telegraph company, or radio company in the conduct of its business. However, this new exemption is available only if the telephone line connects stations between any two of which there would be a toll charge in the case of the usual telephone service. This limitation is in lieu of the former restriction to the effect that not all of the leased wire could be in a local exchange area for the exemption to be available.

These changes are made effective as if they had been enacted as a part of the Excise Tax Technical Changes Act of 1958 at the time of its enactment and thus is effective back to January 1, 1959. This will assure continuity of the exemption applicable to leased wire services.

5. Measure for documentary stamp transfer tax in the case of stock rights on warrants

Before the passage of the Excise Tax Technical Changes Act of 1958, the documentary stamp transfer tax in the case of stock was based primarily on the par or face value of the certificates or shares. The 1958 act changed this to a tax of 4 cents per \$100 based on the actual value of the shares.

A problem has arisen with this "actual value" tax in the case of stock rights and warrants. The statute imposes a tax on the "rights to subscribe for or to receive" shares or certificates of stock. However, the only tax base referred to in the statute is the actual value of the certificates or of the shares. As a result, the Treasury has held that in the case of the transfer of rights to subscribe for, or to receive, stock, the tax is based, not on the value of the rights sold, but rather on the value of the underlying shares of stock to be acquired upon the exercise of the rights. Thus, the tax imposed in the case of stock rights or warrants may be several times the tax which would result from taxing the value of the rights or warrants.

The discrimination referred to can be illustrated by an example. Assume a person sells for \$1,000 a block of 100 warrants to buy a specific stock at \$20 a share. Assume further that the stock is then selling for \$29 a share with the result that the 100 shares of stock underlying the warrants have a value of \$2,900. Under present law at a rate of 4 cents per \$100 of this value, this means a stamp tax of \$1.16 on the block of 100 warrants. However, if the tax were based on the value of the warrants, namely, the \$1,000, rather than the value of the stock, the tax would be 40 cents or about a third of the tax now imposed.

The bill corrects this problem by basing the tax in the case of "rights to subscribe for or to receive" shares or certificates on the actual value of the "rights" rather than on the actual value of the shares or certificates.

This change is to be effective as of the first day of the first month beginning more than 10 days after the date of enactment of this bill.

6. Gaming devices commonly known as claw, crane, and digger machines

Under present law an occupational tax of \$10 per year is levied with respect to a music or amusement machine or with respect to certain 1-cent vending machines dispensing merchandise prizes with a retail value of not more than 5 cents. Other slot or gaming machines are subject to an occupational tax of \$250 per year per machine.

Included in with the gaming machines are certain so-called claw, crane, and digger machines. The bill provides that these claw, crane, or digger machines are to be subject to a \$10 a year tax, instead of the regular \$250

gaming machine tax, if the following four conditions are met:

(1) The charge for each operation of the machine is not more than 10 cents;

(2) The prizes dispensed by the machine are merchandise with a retail value of not more than \$1, there is no advertisement to the effect that any prize other than that dispensed by the machine is offered, and no such other prize is given;

(3) The device is activated by a crank and has a nonelectrical mechanism; and

(4) The device is not operated other than in connection with carnivals or county or State fairs.

This amendment is made effective for periods beginning after June 30, 1960.

Mr. JAVITS. Mr. President, with regard to Calendar No. 905, I have an amendment at the desk which proposes to allow a tax exemption, as a charitable contribution, for contributions made privately to the United Nations Children's Emergency Fund, provided that the contributions were actually used for the Fund's purposes in the United States or any of its possessions.

Mr. President, this has no relation, obviously, to the text of the bill. It was hoped, in view of the lateness of the session, that the amendment might be attached to the bill in order to carry the idea over to the House of Representatives.

Mr. President, we have been unable to obtain reports from the appropriate Government departments, particularly the Treasury Department. I am informed by the chairman of the Committee on Finance that this is a desirable and needed bill, and hence I shall not press my amendment and I shall not press any objection.

Mr. President, I wish to invite to the attention of the Senate what is really a pretty shameful proposition. If an individual American makes a contribution to the United Nations Children's Emergency Fund, one of the most humanitarian and heartfelt causes on earth, that contribution is not tax deductible because the law does not cover the Fund.

Mr. President, the entire amount involved is estimated at about \$10,000 a year. The reason why we have not yet heard from the Treasury Department is that the Treasury Department is troubled about various charitable contributions which go for eleemosynary and philanthropic purposes abroad. I do not know how the Treasury Department is going to resolve that problem.

There are a great number of extremely desirable causes to which Americans ought to be permitted to contribute, which do good work abroad. However, I point out with respect to UNICEF, the contributions are to be used in the United States. It would be sheer "mumbo jumbo" to say that UNICEF ought to organize an American charitable corporation. In addition, that might discourage gifts which would go from Americans directly to UNICEF.

Mr. President, I shall not seek to hold up action on Calendar No. 905. That would be unfair. My great affection for the chairman of the committee and my great reliance on his views dictate that

I not do so. I simply want to have this matter before the Senate. I believe I shall have the cooperation of a great many members of the Committee on Finance, and I hope of the Treasury Department, in order to be able to do this highly desirable thing at the earliest possible date.

The PRESIDING OFFICER. Is there objection to the consideration of H.R. 8725?

There being no objection, the bill (H.R. 8725) was considered, ordered to a third reading, read the third time, and passed.

ISSUANCE OF PROSPECTING PERMITS FOR PHOSPHATE

The bill (S. 2061) to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States, was announced as next in order.

Mr. HOLLAND. Mr. President, I have no objection whatever to passage of the bill. In fact, I think it is a good thing for prospecting for phosphate to go forward on the public lands of the United States, particularly in the Western areas where there are great deposits and where the deposits ought to be better utilized for the service of our whole Nation.

However, we have problems in our State not on the public lands but on lands which at one time belonged to the United States, as to which reservations have been made of phosphate and mineral rights. Those problems are of various kinds. For instance, in some cases there have been residential developments on those lands, and there is still no easy method of getting quit-claim deeds or any surrender of the phosphate rights of the United States. In other cases, there have been relatively small acreages which have been mined all the way around. There is no chance to return to them, so the phosphate values have been lost. There are other problems which I shall not take the time of the Senate to relate for the record.

I understand that the Committee on Interior and Insular Affairs is quite conversant with the fact that we have these problems and has every intention of making a special study of them early next year, with the hope of reporting proposed legislation which will make possible various solutions, as the facts may require.

I have conferred on this matter with my distinguished friend the junior Senator from Utah [Mr. Moss], one of the authors of the pending bill, and I should like to ask the Senator for the record whether my understanding is correct that his able committee is instigating a study of the subject which I have mentioned, the subject of phosphate and mineral reservations in Florida, with the hope of bringing forward early next year proposed legislation which will make it possible for us to solve those problems to the advantage both of the Nation and of the private owners of the surface rights?

Mr. MOSS. Mr. President, I assure the distinguished Senator from Florida that the Committee on Interior and Insular Affairs does intend to conduct a study early next year in an attempt to

find a solution for the problems presented by the Senator from Florida.

The bill presently under consideration applies only to public lands, and would not affect the situation described by the distinguished Senator. We recognize that there is a problem because of the reservation of the mineral rights by the Federal Government in many lands in Florida and in other areas. I assure the Senator we will go forward with hearings and find a solution to that problem as soon as possible.

Mr. HOLLAND. Mr. President, I thank my distinguished friend. I am thoroughly satisfied with the bill. I want to make it clear that we in Florida are in support of the pending measure.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2061) to authorize the issuance of prospecting permits for phosphate in lands belonging to the United States, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That (a) section 9 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 440), as amended (30 U.S.C. 211), is further amended by the insertion of an (a) at the beginning of the section and by the addition of the two following subsections:

"(b) Where prospecting or exploratory work is necessary to determine the existence or workability of phosphate deposits in any unclaimed, undeveloped area, the Secretary of the Interior is authorized to issue, to any applicant qualified under this Act, a prospecting permit which shall give the exclusive right to prospect for phosphate deposits, including associated minerals, for a period of two years, for not more than two thousand five hundred and sixty acres, and if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit.

"(c) Any phosphate permit issued under this section may be extended by the Secretary for such an additional period, not in excess of four years, as he deems advisable, if he finds that the permittee has been unable, with reasonable diligence, to determine the existence or workability of phosphate deposits in the area covered by the permit and desires to prosecute further prospecting or exploration, or for other reasons warranting such an extension in the opinion of the Secretary."

(b) Section 12 of the Mineral Leasing Act (41 Stat. 437, 441), as amended (30 U.S.C., sec. 214), is further amended by the insertion of the words "or permit" immediately after the word "lease" wherever it appears.

(c) The ninth sentence of section 27 of the Mineral Leasing Act (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion of the words "or permits" immediately after the words "phosphate leases".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1431) to provide for the establishment of a Commission on

Metropolitan Problems, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER (Mr. Moss in the chair). The bill will be passed over.

The bill (H.R. 6059) to provide additional civilian employees for the Department of Defense for purposes of scientific research and development, and for other purposes, was announced as next in order.

Mr. KEATING. Mr. President, over, by request.

The PRESIDING OFFICER. The bill will be passed over.

MRS. GLADYS M. ELLISON

The bill (H.R. 2301) for the relief of Mrs. Gladys M. Ellison was considered, ordered to a third reading, read the third time, and passed.

LORETTA F. OSSORIO

The bill (H.R. 5357) for the relief of Loretta F. Ossorio was considered, ordered to a third reading, read the third time, and passed.

MRS. LOURENE O. ESTES

The bill (H.R. 6335) for the relief of Mrs. Lourene O. Estes was considered, ordered to a third reading, read the third time, and passed.

NANCY MAE FLOOR

The bill (H.R. 6546) for the relief of Nancy Mae Floor was considered, ordered to a third reading, read the third time, and passed.

JOHN I. STRONG

The bill (H.R. 7744) for the relief of John I. Strong was considered, ordered to a third reading, read the third time, and passed.

RICHARD C. LONG

The bill (H.R. 7857) for the relief of Richard C. Long was considered, ordered to a third reading, read the third time, and passed.

EVERET BUMGARDNER

The bill (H.R. 8196) for the relief of Everett Bumgardner was considered, ordered to a third reading, read the third time, and passed.

LAWRENCE M. FURTADO

The bill (H.R. 8197) for the relief of Lawrence M. Furtado was considered, ordered to a third reading, read the third time, and passed.

MARTIN ACKERMAN

The bill (H.R. 8198) for the relief of Martin Ackerman was considered, ordered to a third reading, read the third time, and passed.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Sept. 14, 1959

For actions of Sept. 11, 1959

86th-1st - No. 161

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HIGHLIGHTS: Page 7

SENATE

1. **WHEAT.** Passed without amendment H. R. 8409, in lieu of S. 2449 (passed on Sept. 10), to extend for an additional 3 years (until July 31, 1962) the necessary implementing legislation to carry out U. S. participation in the International Wheat Agreement, 1959, ratified July 15, 1959 by the Senate (pp. 17510-1). This bill will now be sent to the President. The committee report states that this bill would extend CCC's authority to make wheat available for export and to exercise our rights and fulfill our obligations under the Agreement.
2. **CENTENNIAL CELEBRATION.** Passed over, at the request of Sen. Hart, H. R. 4012, to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture. p. 17563

3. FOOD SURPLUSES; FOREIGN AFFAIRS. Passed over, at the request of Sen. Hart, S. 1711, the food-for-peace bill. p. 17563
4. FOOD STAMP. Passed over, at the request of Sen. Hart, S. 2522, to provide for the enrichment and sanitary packaging of certain donated surplus commodities and to establish experimental food stamp allotment programs. p. 17563
5. FARM PROGRAM. Sen. Langer urged this Department and the Congressional Agriculture committees to concern themselves with and to make recommendations on solving the "problem of preventing the family farm from disappearing from the American scene," and inserted an article, "Small Canadian Farmer is Big Business Victim." pp. 17494-6
6. LANDS. Both Houses received and agreed to the conference report on S. 1436, to provide that lands conveyed under the Recreation Act of 1926 for State park purposes shall not be subject to the 640 acre limitation provided in the Act (pp. 17530, 17586-7). This bill will now be sent to the President. The bill as agreed to, limits the number of sites to 3 and the acreage to 6,400 acres (although this figure can be doubled for the ensuing 3 calendar years) that can be conveyed to any one State in a year for recreational purposes and limits to 640 acres the area that can be conveyed to a nonprofit organization for public purposes.

Passed over, at the request of Sen. Hart S. 1617, to provide for the adjustment of the legislative jurisdiction exercised by the U. S. over lands in the States used for Federal purposes. p. 17563

Passed over, at the request of Sen. Hart S. 2308, to validate certain extended oil and gas leases. p. 17563
7. PERSONNEL; PAYROLLING; TAXES. Passed with amendment S. 2282, to prohibit acceptance by the Federal Government of compensation from any State for services rendered in connection with the withholding of income taxes from employees salaries (pp. 17529-30, 17538-47, 17548). Certain State laws provide for the withholding party to keep a specified portion of the tax withheld to cover costs of this service. Under this bill, the Federal Government would not receive this compensation. Agreed to an amendment by Sen. Saltonstall to eliminate a section of the bill that would prevent the Government from withholding any State's income taxes from employees who are nonresidents of the State even though they work in the taxing State, and to strike an accompanying verification of residence section (pp. 17538-48). Rejected an amendment by Sen. Cotton to change a provision allowing collection of taxes only from residents of the State to allowing the collection from persons "whose place of abode is " in the State (regardless of one's legal residence) (pp. 17541-8). (Earlier in the day this bill was passed over, at the request of Sen. Hart).

Passed with amendments H. R. 6059, to provide additional civilian employees for the Defense Department for purposes of scientific research and development (pp. 17557-8). Sen. Johnston stated that the bill authorizes the Defense Department additional Public Law 313 positions and liberalizes the Federal Employees Group Life Insurance Act (p. 17557). (See Digest 159 for a summary of the life insurance provisions of the bill)

Passed over, at the request of Sen. Hart, H. R. 4601 and S. 91, to amend the act of Sept. 1, 1954, to limit to cases involving the national security the prohibition on payment of annuities to employees of the U. S. p. 17563
8. SURPLUS PROPERTY. Sen. Keating stated that he supported S. 155, to permit the donations of surplus property to public libraries, which recently passed the Senate, but expressed his "disappointment" that the Government Operations Committee has not reported S. 1365, to permit donations of surplus property to welfare and recreation agencies. pp. 17497-8

Mr. SPARKMAN. That information would be available.

Mr. ALLOTT. That information would be available?

Mr. SPARKMAN. The Senate committee has it.

Mr. President, I withdraw the amendment I offered, and I send forward an amendment to the Engle amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 17, it is proposed to strike out the words "two years after the date of its enactment", and insert, in lieu thereof, "May 31, 1961."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer a second amendment to the Engle amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, lines 23 and 24, it is proposed to strike out "one year after the date of enactment of this section", and insert, in lieu thereof, "May 31, 1960."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the amendment, as amended, offered by the Senator from California [Mr. ENGLE].

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 7244) was read the third time and passed.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL CIVILIAN EMPLOYEES FOR DEPARTMENT OF DEFENSE

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 909, H.R. 6059.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6059) to provide additional civilian employees for the Department of Defense for purposes of scientific research and development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee

on Post Office and Civil Service, with amendments, on page 1, line 10, after the word "Schedule", to strike out the comma and "as follows:

"(1) Not more than three hundred twenty-six such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

"(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961.""; on page 3, line 20, after the word "personnel", to strike out the comma and "except that—

"(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

"(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than four hundred fifty such positions shall be established on and after July 1, 1961" and on page 4, after line 11, to insert a new section, as follows:

SEC. 4. (a) Section 3(d) of the Federal Employees' Group Life Insurance Act of 1954 is repealed.

(b) Section 5(a) of such Act is amended by striking out the words "under age "sixty-five".

(c) Section 6 of such Act is amended to read as follows:

"Sec. 6. (a) Each policy purchased under this Act shall contain a provision, in terms approved by the Commission, to the effect that any insurance thereunder on any employee shall cease upon his separation from the service or twelve months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission.

"(b) If upon such date as the insurance otherwise cease the employee retires on an immediate annuity and (1) his retirement is for disability or (2) he has completed twelve years of creditable service as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him, but the amount of such insurance shall be reduced by 1 per centum thereof at the end of each full calendar month following the date the employee attains age sixty-five or retires, whichever is later, subject to minimum amounts prescribed by the Commission, but not less than 50 per centum of the insurance in force preceding the first such reduction. Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required twelve years provided the employee has completed at least five years of civilian service.

"(c) If upon such date as the insurance would otherwise cease the employee is receiving benefits under the Federal Employees' Compensation Act because of disease or injury to himself, his life insurance may, as provided in subsection (b), be continued during the period he is in receipt of such benefits and held by the United States Department of Labor to be unable to return to duty."

(d) Section 5(a) of such Act is amended by striking out "25 cents" and inserting in lieu thereof "32 cents".

(e) (1) The amendments made by subsections (a), (b), and (c) shall take effect as of August 17, 1954, except that (1) they shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this Act, and (2) nothing therein shall be construed to require salary withholdings for any period prior to the first day of the first pay period which begins after the date of enactment of this Act.

(2) The amendments made by subsection (d) shall take effect as of the first day of the first pay period which begins after the date of enactment of this Act.

Mr. JOHNSTON of South Carolina. Mr. President, the purpose of H.R. 6059 is twofold. First, it authorizes the establishment of certain additional supergrade and scientific positions in the Department of Defense; and, second, liberalizes the Federal Employees Group Life Insurance Act.

Mr. President, presently, the Department of Defense has 303 supergrade positions. This measure would authorize 372 such positions or an increase of 69.

Currently, the Department has 292 so-called Public Law 313 scientific positions. This measure authorizes the establishment of 450 such positions or an increase of 158.

Public hearings on this portion of the bill were held July 23, 1959. The Department of Defense and the Civil Service Commission testified concerning the need for these additional positions. No adverse testimony was received from any source. The committee was unanimous in approving this portion of the bill.

Mr. President, the Federal Employees Group Life Insurance Act provides that the amount of group life insurance in force at age 65 be reduced by 2 percent per month until the policy has been reduced to 25 percent of its original face value. The bill as reported would have changed this reduction formula in two respects. First, the reduction would not necessarily start at age 65 but would begin at age 65 or on retirement whichever might occur later. In other words, if an employee retired on or before reaching age 65, the reduction would start when he reached age 65, but if he continued in the service no reduction would take place so long as he remained in the service.

Secondly, the reported bill cut the rate of reduction from 2 percent to 1 percent per month and provided that it would continue only until the policy had been cut in half instead of by three-fourths as provided under present law.

Mr. President, the amendments I now send to the desk have the effect of doing away with the second change proposed in the reported bill. In other words under these amendments the reduction formula will continue in the future as it has in the past. However, no reduction will occur so long as the employee continues in the service. In other words, the first objective of the reported bill will remain intact.

These amendments are offered quite reluctantly on my part in order to assure approval of the bill by the administration.

The reported bill called for an increase in premiums. Due to the curtailment in the liberalization of benefits under the amendments I have offered, the increase in premiums is taken out of the bill.

I believe that all Senators on this side of the aisle, as well as on the other side of the aisle, are in agreement. We have sufficient funds. We believe that with the amendments proposed, the situation can be taken care of with the money that is paid in at the present time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. We have had 4 years' experience with government life insurance. We have made several proposals, and after working out the problem with the Civil Service Commission and others, I sincerely hope the Senate will approve the amendments which the Senator from South Carolina is offering, and that the Senate will approve the bill.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 5, line 7, after the word "by", to strike out "1" and insert "2".

On page 5, line 11, after the word "than", to strike out "50" and insert "25".

On page 5, after line 23, to strike out: (d) Section 5(a) of such Act is amended by striking out "25 cents" and inserting in lieu thereof "32 cents".

On page 6, line 1, after "(e)", to strike out "(1)".

On page 6, after line 8, to strike out: (2) The amendments made by subsection (d) shall take effect as of the first day of the first pay period which begins after the date of enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6059) was read the third time and passed.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. CARLSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OCEANOGRAPHIC STUDIES

Mr. MAGNUSON. Mr. President, on behalf of the Senator from Kansas [Mr. SCHOEPEL], the Senator from Florida [Mr. SMATHERS], the Senator from California [Mr. ENGLE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. HART], the Senator from New Jersey [Mr. CASE], the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BURLER], and myself, I send to the desk a bill and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2692) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys; to promote commerce and navigation; to secure the national defense; to expand ocean resources; to authorize the construction of research and survey ships and facilities; to assure systematic studies of effects of radioactive materials in marine environments; to enhance the general welfare and for other purposes, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, I have today introduced a bill to suggest a 10-year program of intensive ocean research and to authorize the ships and facilities required to conduct this scientific effort which I consider vital to our commerce, economy, and security.

The purpose of this bill is to carry out the objectives expressed in Senate Resolution 136, adopted by the Senate without dissent on July 15.

Previous to Senate action the resolution had been unanimously approved by the Senate Committee on Interstate and Foreign Commerce and cosponsored by each of its members and my colleague from the State of Washington, Senator JACKSON.

The bill I am introducing today is designed to forward the plans and program endorsed in that resolution. It is titled "The Marine Sciences and Research Act of 1959."

When the bill is considered in committee early in the coming session I anticipate that the date will be changed from 1959 to 1960, but this program must be launched in 1960 at the very latest if we are to keep pace with Soviet Russia in the marine sciences.

We are not keeping pace with Soviet Russia now—in ships for deep-sea scientific studies, in marine laboratories, in oceanwide hydrographic surveys, in fisheries research and utilization of our ocean resources, in studies of the relationship of the seas to our changing climate, and, of very great importance, in the training of young and enthusiastic oceanographers.

We have lagged, and we are lagging, principally I think because we have been remiss in providing facilities for such research. And we have been remiss, I believe, because we have taken the oceans for granted and have grown accustomed to looking on them as a protective barrier against aggression.

They are that no longer.

The Committee on Oceanography of the National Academy of Sciences recently reported:

The submarine armed with long range missiles is probably the most potent weapon system threatening our security today.

And Rear Adm. John T. Hayward has told Congress:

It goes without saying that a complete understanding of oceans and ocean bottoms and the atmosphere above must be obtained if the Navy is to wage modern war successfully.

The Russians are attempting to gain that complete understanding and are providing the ships, facilities, and manpower to obtain it.

We can and must match this Soviet effort.

That is what the bill we have introduced today proposes to do.

We cannot afford to yield either the freedom or the secrets of the seas to Soviet Russia by default. To do so would menace our peace and security.

Nor am I prepared to yield adjacent fisheries to the Russians as we are presently doing. To do so would jeopardize the economy of tens of thousands of our industrious coastal citizens. We must match the Russians also in our fisheries research and exploration.

This also the bill introduced today proposes to accomplish.

One of the reasons that the bill is being introduced at this late hour in the present session is to give all Members of the 86th Congress, officials of departments and agencies which would direct the program, and scientists, educators, and others throughout the country who would participate in or benefit from the proposed research, opportunity to give it thorough study and to express their views and offer their comments, criticism, or suggestions when Congress assembles.

It is also timely that we introduce this bill now because this is the closing week of the first International Oceanographic Congress, which is being held in New York City, and in which scientists of 38 nations are participating.

As the host nation it is natural that the United States should have the largest number of delegates to this conference.

Most of our oceanographic scientists are participating, five from the University of Washington.

But of the 37 foreign countries represented, Soviet Russia has by far the greatest number of delegates.

A total of 87 Russian scientists are listed on the program as presenting lectures or papers. That is more than twice as many scientists as there are in the second largest foreign delegation, that of Japan; three times as many as came over from the United Kingdom, and more than the combined representation from

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate passed mutual security appropriation bill. House agreed to Senate amendments to employee health insurance bill. Sen. McCarthy criticized Secretary's farm policies.

HOUSE

1. PERSONNEL. Concurred in the Senate amendments to S. 2162, to provide a health benefits program for Federal employees. This bill will now be sent to the President. pp. 17993-4

Passed without amendment H. R. 8289, to accelerate the commencing date of civil service retirement annuities. (pp. 17994-5). The bill provides that each civil service retirement annuity shall commence on the first day following the employee's separation from the service if immediate benefits are payable or, in the case of deferred benefits payable upon attainment of a certain age, the first day after the employee attains the prescribed age. Survivor benefits will begin the day after the death of the employee or annuitant on whose service the survivor benefits are based.

2. RESEARCH; SCIENCE. Concurred in the Senate amendments to H. R. 6059, to provide additional civilian employees for the Defense Department for purposes of

scientific research and development, and to liberalize the Federal Employees Group Life Insurance Act. (pp. 17992-3) This bill will now be sent to President.

3. AIR POLLUTION. Both Houses received and agreed to the conference report on H. R. 7476, to extend for two additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control (H. Rept. 1187) (pp. 17866-7, 17995-6). This bill will now be sent to President
4. TAXATION. Passed without amendment S. 2282, to prohibit acceptance by the Federal Government of compensation from any State for services rendered in connection with the withholding of income taxes from employees salaries. (p. 18003) This bill will now be sent to the President.
5. FISCAL POLICY. Rep. Mills criticized the administration's monetary and fiscal policies and inserted tables showing cash surpluses and/or deficits during the years 1946 through 1958. pp. 17991-2
6. IMPORTS. Rep. Gross discussed the matter of competition of low-priced foreign imports with American labor and industry^{and} called for stopping "those foreign aid appropriations and other devices that provide the incentive for American industry to move to foreign countries." pp. 17997
7. AREA REDEVELOPMENT. Rep. Slack expressed regret that legislation to aid depressed areas has not been enacted this session and expressed the hope that it will be considered the first and most important order of business in January. pp. 17997-8
8. POWER. Rep. Thomson spoke in favor of the partnership proposal for the Trinity power facilities. pp. 18003-4
9. LEGISLATIVE PROGRAM. The remaining proceedings of the House and Senate for Sept. 14 will be continued in the next issue of the Congressional Record. pp. 18020

SENATE

10. MUTUAL SECURITY APPROPRIATION BILL FOR 1960. Passed, 64 to 25, with amendments this bill, H. R. 8385 (pp. 17857-66, 17868-96, 17909-13, 17914-40, 17962-77, 17981-3, 18024-38). House and Senate conferees were appointed. (pp. 18038, 18020). (See Digests 159 and 162 for Senate committee amendments and floor amendments to the bill.)
Sen. Cooper offered and later withdrew his amendment to establish an Inter-agency Committee on Underdeveloped Regions in the United States, including representation from this Department. He stated that he wanted to bring his proposal to the attention of the executive branch and that he planned to offer it in bill form next session (p. 18037). Virtually all of the debate except Sen. Cooper's remarks dealt with the amendment to extend the life of the Civil Rights Commission.
11. FARM PROGRAM; EGG PRICES. Sen. McCarthy stated that "as Mr. Benson has gotten more and more of what he sought, the condition of the farm economy has become worse," and that the 7th year of this Administration "will mark the lowest level of farm prices in 20 years." He stated that egg producers were now experiencing a "crisis," and that this Department has been "negligent" if an article contending that several New York traders pretty well set egg prices is accurate. pp. 17897-9

investing in these companies because of the personal holding company surtax. The recommendations of the National Association of Small Business Investment Companies and others regarding this question, were documented at these hearings on May 11, 12, and 13, 1959.

It is recognized by all that if these small business investment companies are going to grow and prosper to such an extent that they will be of benefit to the small business concerns of the Nation, the program must be such that it will attract capital investment. It is also obvious that family groups or other financial circles composed of less than five will not be interested in organizing or investing in these companies if their returns are subject to the personal holding company surtax. It is my feeling that every reasonable step should be taken to encourage the organization and development of these companies.

When the Small Business Investment Act of 1958 was passed last year, many of us had great hopes for this piece of legislation. But it has developed slowly and has been a disappointment to many. The respected and distinguished majority leader of the Senate observed just this last Thursday on the floor of the Senate that he was somewhat disappointed that only 27 small business investment companies had been formed. I would like to join him in expressing the same disappointment. It might be pointed out here that when Subcommittee No. 1 of the House Small Business Committee announced that it would hold hearings into the organization and operations of the Small Business Administration last March only two small business investment companies had been licensed by the SBA. This was approximately 7 months after the act was passed. The hearings were scheduled for May 11 and one more investment company was licensed prior to the hearing and three newly licensed companies were announced on the morning the hearings began. As of August 24, slightly more than 3 months after the hearings were held, 21 additional companies were licensed by SBA. Although the program has speeded up since the Small Business Committee hearings, it is hoped that the program will be accelerated even further. As a result, it is felt that the personal holding company surtax exception is good legislation and will remove at least one of the obstacles which the Small Business Administration insists has slowed them down.

The other amendment to H.R. 47 which I think is of great importance, provides that the stock of small business corporations which is owned by a husband and wife in a community property State will be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporations. On January 22, I introduced H.R. 3126 which contained the provisions which have been incorporated in this amendment to H.R. 47.

Last year Congress enacted Public Law 85-866 which included provisions for small business tax adjustments. One provision of that law gave small business corporations the opportunity to elect to

be taxed as partnerships. The income of the corporations, under such elections, would be taxed to the shareholders. The law provided that in order to classify as a "small business corporation" for the benefits under such election, there could be no more than 10 shareholders. The Treasury Department ruled that the spouse of the shareholder in a community property State, such as Texas, should also be counted as a shareholder for the purposes of the Small Business Tax Adjustment Act. This had the effect of reducing the number of married stockholders who could take advantage of this small business tax benefit to less than five in community property States and in other States where the husband and his spouse hold as joint tenants, as tenants in common or by tenants by the entirety. It is obvious that Congress never intended such inequitable results, but since the Internal Revenue Service refused to change its interpretation, although urged to do so, it was necessary to change the law.

This amendment to H.R. 47 which was passed by the Senate last Thursday and by the House today, will remedy this situation and should be of great benefit to many small business corporations doing business in community property States.

FAILURE OF ADMINISTRATION'S MONETARY AND FISCAL POLICIES

(Mr. MILLS asked and was given permission to extend his remarks at this point in the Record and to include two tables.)

Mr. MILLS. Mr. Speaker, during this controversy over the bond interest rate ceiling, the President does not inform either the Congress or the Nation about the real issue in his interest ceiling proposal. That issue is that we have used money tightness too much, and fiscal tightness too little in our efforts to provide a climate for high employment, a stable price level, and economic growth. Tight money—loose fiscal policy is likely to curb inflation only at the price of curbing economic growth, where as a tight fiscal—easier money policy will do as good, if not a better, job of stabilizing the price level and without such serious limits on increases in our productive capacity.

The issue then is this: If we remove the marketable bond interest-rate ceiling now, we in effect tell the administration that we approve of their tight money—loose fiscal policy mix. We do not approve it. But to date we have received no assurances that the policy mix that is responsible for present debt management problems will be changed if the interest rate ceiling is removed or raised. It is the responsibility of the administration to present to the Congress a budget program which will, at high levels of employment, produce a substantial budget surplus. This surplus can be used, in part, to reduce the debt. This will ease the pressure on Government bonds.

Do not let anyone tell you that this responsibility does not belong to the administration. This Congress has labored

diligently to reduce spending authorizations below those recommended by the President in his budget message last January, without sacrificing important programs to strengthen the economy in the long run. Instead of honest cooperation, we have been treated to budgetary legerdemain and repeated vetoes.

Mr. Speaker, I have given careful and diligent attention to the budgets presented to the Congress by this administration not only because of my basic interest in the monetary policy but also because as chairman of the Committee on Ways and Means I have considered that I have a particular responsibility to know what the facts are with respect to the money that is being spent as related to revenues. When I state that this administration has not set its budget house in order, I am prepared to demonstrate the truthfulness of this assertion with the presentation of facts and figures. At this point, I wish to insert in the Record a table—table 1—which eloquently speaks for itself in showing that this administration has pursued easy fiscal policies throughout the whole period of its two terms of office, and that compared with an equal number of years under the previous Democratic administration, this Republican administration has showed a cash budget deficit for the whole period of \$8½ billion, whereas the Democratic administration which preceded it showed a cash budget surplus of nearly \$12½ billion.

Mr. Speaker, I wish to repeat this for emphasis: During the years 1946 through 1952, there was a cumulative cash budget surplus of nearly \$12½ billion; during the years 1953 through 1958, while we have been under a Republican administration, there is a cumulative cash budget deficit of nearly \$8½ billion. During the 6 years 1953 through 1958, the Republicans have shown a cash budget deficit in at least 4 years; during the 7 years 1946 through 1952, the Democratic administration showed a cash budget surplus in 5 out of the 7 years.

TABLE 1.—Receipts, expenditures, and cash budget surplus or deficit, calendar years 1946-58

[In millions of dollars]			
Calendar year	Receipts	Expenditures	Cash budget surplus or deficit (—)
1946.....	\$41,441	\$41,399	\$42
1947.....	44,282	38,616	5,666
1948.....	44,914	36,892	18,023
1949.....	41,339	42,635	1-1,295
1950.....	42,411	41,962	1,450
1951.....	59,268	58,034	1,234
1952.....	71,436	73,082	-1,646
Total, 1946-52..	345,091	332,620	12,474
1953.....	70,141	76,289	-6,148
1954.....	68,589	69,661	-1,072
1955.....	71,448	72,188	-740
1956.....	80,330	74,807	5,524
1957.....	84,520	83,326	1,194
1958.....	81,729	89,015	-7,286
Total, 1953-58..	456,757	465,286	-8,530

¹ Details do not necessarily add to totals because of rounding.

Source: 1957 Historical and Descriptive Supplement to Economic Indicators, 85th Cong., 1st sess., and Economic Indicators, August 1959, 86th Cong., 1st sess.

Now, Mr. Speaker, in order to demonstrate fully the point which I have been

making that this loose fiscal tight money policy has had a tremendous effect on interest rates, I will insert here and refer to another table which I have had prepared—table 2. This table also speaks eloquently for itself. It shows the cash budget surplus and/or deficit as compared to interest rates on different classes of securities for the calendar years 1946 through 1958. I urge my colleagues to give attention and study to these two tables as the opportunity presents itself.

TABLE 2.—Cash budget surplus or deficit and interest rates, calendar years 1946–58

Calendar year	Cash budget surplus or deficit (—) (millions)	U.S. Government security yields		Corporate bonds (Moody's) Aaa
		3-month Treasury bills ¹	Treasury bonds ²	
1946.....	\$42	0.375	2.19	2.53
1947.....	5,666	.594	2.25	2.61
1948.....	8,023	1.040	2.44	2.82
1949.....	-1,295	1.102	2.31	2.66
1950.....	450	1.218	2.32	2.62
1951.....	1,234	1.552	2.57	2.86
1952.....	-1,646	1.766	2.68	2.96
1953.....	-6,143	1.931	2.94	3.20
1954.....	-1,072	.953	2.55	2.90
1955.....	-740	1.753	2.84	3.06
1956.....	5,524	2.658	3.08	3.36
1957.....	1,194	3.267	3.47	3.89
1958.....	-7,288	1.839	3.43	3.79
Total:				
1946-50..	12,886	-----	-----	-----
1951-52..	-412	-----	-----	-----
1946-52..	12,474	-----	-----	-----
1953-58..	-8,530	-----	-----	-----

¹ Rate on new issues within period.

² Series includes: April 1953 to date, bonds due or callable 10 years and after; April 1952–March 1953, bonds due or callable after 12 years; October 1941–March 1952, bonds due or callable after 15 years.

Source: 1957 Historical and Descriptive Supplement to Economic Indicators, 85th Cong., 1st sess., and Economic Indicators, August 1959, 86th Cong., 1st sess.

Until the administration is prepared to set its budget house in order, to present to the Congress an honest, forthright, and candid budget program, free from Fannie Mae-Government bond swaps and similar accounting hokus-pokus, a program supported by a full and careful statement of the economic prospects upon which it is based and of its significance for monetary conditions—until that time, any so-called irresponsibility on the part of the Congress will be no more nor less than confusion caused and cultivated by the administration's budgetary black magic.

I want to register my vigorous support for the proposal that the administration change its course and offer the Congress and the Nation a new policy combination of fiscal tightness and monetary ease. If the coming budget proposals for fiscal 1961 demonstrate this change in policy-mix—if the coming budget shows a substantial, honest surplus predicated upon high levels of employment and output—if this is done, this I feel a basis will have been created for congressional acceptance of the President's request that the ceiling on Government bond interest rates be eliminated.

In conclusion, Mr. Speaker, let me say that when we reach the point where we have a balanced budget for 2 or 3 years with an appreciable surplus, then our debt problems will be eased and interest rates will be stabilized.

FOR THE RELIEF OF SERGIUSZ RUDCZENKO

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2319) for the relief of Sergiusz Rudczenko.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MOORE. Mr. Speaker, reserving the right to object, will the gentleman explain this bill and its contents?

Mr. WALTER. Mr. Speaker, the beneficiary of this bill has a preferred visa because he is a specialist, I believe a structural engineer. When the time came at the expiration of his visa, it was discovered he had tuberculosis. A subsequent investigation was made in order to determine the extent to which this disease would impair his ability to serve if he came into this country. The evidence has just reached the committee that he is no longer suffering from an active stage of tuberculosis. This information came, I may say, too late to have this bill attached to a resolution containing a number of other identical cases.

Mr. MOORE. Mr. Speaker, I may say to the Members of the House that this is a bill we in the subcommittee would have given favorable consideration to had it been before us at the proper time.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of sections 212 (a) (6) and 212 (a) (15) of the Immigration and Nationality Act, Sergiusz Rudczenko may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: Provided, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: Provided further, These exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

SEC. 2. Notwithstanding any other provisions of law, any condition or control which the Attorney General may deem necessary to impose pursuant to the provisions of the first section of this Act shall not be grounds for precluding the classification of Sergiusz Rudczenko as an immigrant under section 203 (a) (1) of the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mrs. GREEN of Oregon asked and was given permission to extend her remarks at this point in the Record.)

Mrs. GREEN of Oregon. Mr. Speaker, the person involved in the bill

just passed by the House is Mr. Sergiusz Rudczenko, a 29-year-old native of Poland, presently living in that country. Mr. Rudczenko is a structural engineer and his application for a first preference visa has been filed by a firm of architects in Seattle, Wash.—and has been approved. Mr. Rudczenko's parents are fine residents of my own home city of Portland, Ore.

The Senate Judiciary Committee urged the admission of Mr. Rudczenko to this country. The Senate has concurred in this judgment. I am delighted that the House has now given its approval to this bill admitting a very deserving person and his family to this country. My sincere thanks go to the chairman of the Subcommittee on Immigration, the gentleman from Pennsylvania [Mr. WALTER] for his understanding and his willingness to bring this bill before the House today.

DOCUMENTARY HISTORY, U.S. CAPITOL BUILDING AND GROUNDS

Mr. ALBERT. Mr. Speaker, I offer a resolution and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

HOUSE RESOLUTION 393

Resolved, That the manuscript entitled "Documentary History of the Construction and Development of the United States Capitol Building and Grounds" be printed as a House document.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL CIVILIAN POSITIONS, DEPARTMENT OF DEFENSE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6059) to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out all after "Schedule" down to and including "1961" in line 13.

Page 3, line 23, strike out all after "personnel" over to and including "1961" in line 9 on page 4.

Page 4, after line 15, insert:

"SEC. 4. (a) Section 3(d) of the Federal Employees' Group Life Insurance Act of 1954 is repealed.

"(b) Section 5(a) of such Act is amended by striking out the words 'under age sixty-five'.

"(c) Section 6 of such Act is amended to read as follows:

"Sec. 6. (a) Each policy purchased under this Act shall contain a provision, in terms approved by the Commission, to the effect

that any insurance thereunder on any employee shall cease upon his separation from the service or twelve months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission.

"(b) If upon such date as the insurance would otherwise cease the employee retires on an immediate annuity and (1) his retirement is for disability or (2) he has completed twelve years of creditable service, as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him, but the amount of such insurance shall be reduced by 2 per centum thereof at the end of each full calendar month following the date the employee attains age sixty-five or retires, whichever is later, subject to minimum amounts prescribed by the Commission, but not less than 25 per centum of the insurance in force preceding the first such reduction. Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required twelve years provided the employee has completed at least five years of civilian service.

"(c) If upon such date as the insurance would otherwise cease the employee is receiving benefits under the Federal Employees' Compensation Act because of disease or injury to himself, his life insurance may, as provided in subsection (b), be continued during the period he is in receipt of such benefits and held by the United States Department of Labor to be unable to return to duty."

"(e) The amendments made by subsections (a), (b), and (c) shall take effect as of August 17, 1954, except that (1) they shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this Act, and (2) nothing therein shall be construed to require salary withholdings for any period prior to the first day of the first pay period which begins after the date of enactment of this Act."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GOVERNMENT EMPLOYEE'S HEALTH BENEFITS PROGRAM

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2162) to provide a health benefits program for Government employees, with Senate amendments to the House amendment, and concur in the Senate amendments. The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

In lieu of subsection (a) of section 7 insert:

"(a) Except as provided in paragraph (2) of this subsection, the Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this Act, in addition to the contributions required by paragraph (3), shall be 50 per centum of the lowest rates charged by a carrier for a level of benefits offered by a plan under paragraph (1) or paragraph (2)

of section 4, but (A) not less than \$1.25 or more than \$1.75 biweekly for an employee or annuitant who is enrolled for self alone, (B) not less than \$3 or more than \$4.25 biweekly for an employee or annuitant who is enrolled for self and family (other than as provided in clause (C) of this paragraph), and (C) not less than \$1.75 or more than \$2.50 biweekly for a female employee or annuitant enrolled for self and family including a nondependent husband.

"(2) For an employee or annuitant enrolled in a plan described under section 4 (3) or (4) for which the biweekly subscription charge is less than \$2.50 for an employee or annuitant enrolled for self alone or \$6 for an employee or annuitant enrolled for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a nondependent husband is a member of the family of a female employee or annuitant who is enrolled for herself and family the contribution of the Government shall be 30 per centum of such subscription charge.

"(3) There shall be withheld from the salary of each enrolled employee and the annuity of each enrolled annuitant, and there shall be contributed by the Government, amounts (in the same ratio as the contributions of such employee or annuitant and the Government under paragraphs (1) and (2)) which are necessary for the administrative costs and the reserves provided for by section 8(b).

"(4) There shall be withheld from the salary of each enrolled employee or annuity of each enrolled annuitant so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment. The amount withheld from the annuity of an annuitant shall be equal to the amount withheld from the salary of an employee when both are enrolled in the same plan providing the same health benefits.

After section 13, insert a new section as follows:

"SEC. 14. (a) The Chairman of the Commission is authorized to appoint in grade 18 of the General Schedule of the Classification Act of 1949, as amended, an officer who shall have such functions and duties with respect to retirement, life insurance, and health benefits programs as the Commission shall prescribe. Such positions shall be in addition to the number of positions otherwise authorized by law to be placed in such grade.

"(b) The rate of basic compensation of the Executive Director of the United States Civil Service Commission shall be \$19,000 per annum."

Renumber section 14 as section 15.

Renumber section 15 as section 16.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. REES of Kansas. Mr. Speaker, reserving the right to object—and I shall not object—I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, may I direct the Members' attention to a statement which I made on the floor of the House when this legislation was approved by the House on September 1. I wish to reemphasize the fact that when the bill was referred to the House Post Office and Civil Service Committee after having passed the other body, it was unworkable and did not carry out the

intent of providing equitable benefits for all Federal employees.

After diligent study and lengthy hearings, our committee amended the Senate bill in order to provide legislation which is workable and which provided benefits for all Federal employees. The fact that the other body has agreed to the House language is further proof of the success of our efforts.

The chairman of the committee and myself worked for a number of days following our hearings and developed the draft which upon my motion was approved unanimously in our committee and the House also approved it overwhelmingly.

The three amendments which the Senate has made to this legislation do not relate to the basic proposal and I am prepared, therefore, to support these minor amendments, the affect of which is to—

First. Make certain that the minimum amounts for the health plans provided for in the House bill will be available for the purpose of such plans over and above the 3 percent for reserve and 1 percent for administration.

Second. Makes a grade GS-18 position available if and when the Commission decides to combine the administration of the life insurance, retirement, and health benefits programs.

Third. Adjusts the salary of the Executive Director of the Civil Service Commission in line with what we have already done with administrative assistant secretaries of the several departments.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

(Mr. DAVIS of Georgia asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DAVIS of Georgia. Mr. Speaker, at the request of the chairman of our committee I am asking the unanimous consent of the House to take up S. 2162 which provides a health benefits program for Federal employees. House agreement will send the measure on its way to the White House, where I am sure it will be approved.

This bill represents the culmination of efforts of a number of years on the part of many Members of both Houses of Congress. I particularly would like to commend the chairman and the ranking minority member of our Committee on Post Office and Civil Service for bringing the bill to our committee in the form in which it was voted out unanimously, as well as our ranking majority Member, the distinguished gentleman from Louisiana [Mr. MORRISON], and other sponsors of health benefits bills. Through their efforts and the work of the entire committee and the committee staff, a bill was developed which I believe represents general consensus of opinion developed during our detailed hearings on this complex problem. We wanted to be sure that the health program we approved would in fact be the kind of a program which would meet the various requirements of the 2 million Federal employees who are expected to participate voluntarily.

Briefly, these are the major provisions:

The bill makes basic and extended health protection available to 2 million employees and their families—some 4.5 million individuals—with the Government contributing 50 percent, but not less than \$1.25 or more than \$1.75 biweekly for a single employee and not less than \$3 or more than \$4.25 biweekly for an employee and family, subject to certain special exceptions.

No physical examination is required, a separated employee may convert coverage to a private plan without such examination, and no one is excluded because of race, sex, health status, or—at first opportunity to enroll—age.

There is free choice, to suit each employee's needs, among four health plans—a service plan, such as Blue Cross-Blue Shield; an indemnity plan, such as certain insurance companies offer; any one of several employee organization plans; and a comprehensive medical plan on either the group-practice or individual-practice prepayment basis. A wide range of hospital, surgical, medical, and related benefits will be provided, and both service and indemnity plans must have at least two levels of benefits.

The Senate amendment make these minor changes in the House-passed bill:

The minimum Government contributions in the House bill are earmarked for purchase of health plans, with small added contributions required of the Government and the employees for the 1 percent administrative cost and the 3 percent contingency reserve provided by the House bill. The chairman of the Civil Service Commission is authorized to appoint a grade GS-18 official with such retirement and health and life insurance program duties as the Commission prescribes. The compensation of the executive director of the Civil Service Commission is adjusted to \$19,000 annually, in accordance with what the Congress recently did for the administrative assistant secretaries of Government departments.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments to the House amendment were concurred in.

A motion to reconsider was laid on the table.

HODGENVILLE AND LARUE COUNTY, KY., AND THE ABRAHAM LINCOLN SESQUICENTENNIAL

(Mr. CHELF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHELF. Mr. Speaker, I want to congratulate Hodgenville and Larue County, Ky., on their participation in the Abraham Lincoln Sesquicentennial this year.

The birthplace of Lincoln is located near this enterprising town whose fine officials and citizens have taken a great part in the celebration of this outstanding event. The progressive, cooperative

spirit which prevades this splendid little community and with which its kind and hospitable citizens are imbued has prompted them to be significant participants in this event of national importance and magnitude. Their unselfish dedication to this cause elicits the admiration of all who love our country and its great leaders.

The Abraham Lincoln Birthplace Land Corp., of Hodgenville, Ky., devised a brilliant and imaginative plan by which the section of the Lincoln birthplace farm not owned by the Abraham Lincoln National Historical Park—the name of which is now officially changed to Abraham Lincoln's Birthplace—is being released to schools, historical societies, prominent citizens, and individuals for their private ownership as historical heirlooms. It is a family keepsake, if you please, that can and will be handed down from generation to generation through the family so fortunate as to own its precious soil. In the words of the corporation:

This property has been divided into square foot sections to allow as many as possible to share in this wealth of American heritage * * * a treasure with national significance which can be passed from generation to generation with a pride of ownership second to none.

The truth of this is borne out by the fact that the deed which was issued to me, giving me actual fee simple title to 1 square foot, in section No. A-202—Parcel A, of the original Lincoln birthplace land, is now framed and hanging in a prominent place in my office here in Washington.

These planners are to be congratulated upon their wisdom and foresight in finding such a unique and interesting way to perpetuate the knowledge, understanding and love of Abraham Lincoln.

As their Congressman representing the Fourth Congressional Kentucky District, I take pride in giving recognition to all of those wonderful citizens of Larue County, Ky., who have had a part, large or small, during this Lincoln Sesquicentennial Year, in paying homage and tribute to the Great Emancipator. Truly it is an honor to be able to serve such "salt of the earth" people here in the House of Representatives.

In conclusion, I feel I would be derelict in my duty if I did not say a few words of praise about the magnificent job that my fellow members on the National Lincoln Sesquicentennial Commission, operating here in Washington, have done. These members—Hon. John Sherman Cooper, U.S. Senator, Chairman; Hon. F. Jay Nimtz, Member of Congress, Vice Chairman; Prof. William E. Baringer, Executive Director; Miss Bertha S. Adkins; Hon. Leo E. Allen, Member of Congress; Victor M. Birely; Dr. Ralph J. Bunche; Hon. Frank Chelf, Member of Congress; Hon. Frank Church, U.S. Senator; Hon. Winfield K. Denton, Member of Congress; Dr. John S. Dickey; Hon. Everett M. Dirsken, U.S. Senator; Hon. Paul H. Douglas, U.S. Senator; John B. Fisher; Hon. William E. Jenner, U.S. Senator; Hon. Peter F. Mack, Jr., Member of Congress; Dr. R. Gerald McMurtry; Dr. L. Quincy

Mumford; Rev. Paul C. Reinert; Hon. John M. Robson, Jr., Member of Congress; Walter N. Rothschild; Hon. William G. Stratton; Jouett Ross Todd; Dr. William H. Townsend; Conrad L. Wirth; Hon. Ralph Yarborough, U.S. Senator—together with their modest but most able and alert staff have really compiled a record that any Commission authorized by Congress can truly be proud to possess. As a concrete example of one of its many, many outstanding achievements, the U.S. Treasury reports that it has minted and sold over four times as many of the new Lincoln penny this year as the number of the old original Lincoln penny. This brand new coin has the usual picture of Lincoln on it but there has been added on the reverse side a beautiful design of the Lincoln Memorial. I salute Hodgenville, Larue County, our Kentucky Sesquicentennial Commission, my colleagues on the Nation Commission, and all of our Lincoln Historians, collectors, individuals, societies, and organizations that have helped to properly celebrate and to commemorate the 150th birthday of that Great American—Abraham Lincoln.

ADJUSTMENT OF COMMENCING DATES OF CIVIL SERVICE RETIREMENT ANNUITIES

Mr. DULSKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8289) to accelerate the commencing date of civil service retirement annuities, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10 of the Civil Service Retirement Act (70 Stat. 754; 5 U.S.C. 2260) is amended—

(1) By striking out paragraph (2) of subsection (a) and inserting in lieu thereof the following:

"(2) An annuity computed under this subsection shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death or remarriage."

(2) By striking out the second sentence in subsection (b) and inserting in lieu thereof the following: "The annuity of such survivor shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death."

(3) By striking out the second sentence in subsection (c) and inserting in lieu thereof the following: "The annuity of such widow or dependent widower shall commence on the day after the employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) death or remarriage of the widow or widower (or (2) the widower's becoming capable of self-support."

(4) By striking out the third sentence in subsection (d) and inserting in lieu thereof the following: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity or any right thereto shall terminate on the last day of



Public Law 86-377
86th Congress, H. R. 6059
September 23, 1959

AN ACT

To provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), is amended by adding the following new subsection at the end thereof: Defense Department.
Civilian positions.
63 Stat. 959.

“(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule.”

(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act. The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(c) Nothing contained in this section shall affect any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (j) of section 505 of the Classification Act of 1949 as contained in the amendment made by subsection (a) of this section. 73 STAT. 700.
73 STAT. 701.

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows: 70A Stat. 118.

“(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.” Research and development.

SEC. 3. The first sentence of section 1582 of title 10, United States Code, is amended to read as follows: “The Secretary of Defense shall report to Congress not later than February 1 of each year on the number of positions established under section 1581 of this title during the immediately preceding calendar year.” Report to Congress.

SEC. 4. (a) Section 3(d) of the Federal Employees' Group Life Insurance Act of 1954 is repealed. 68 Stat. 737.
5 USC 2092.

(b) Section 5(a) of such Act is amended by striking out the words “under age sixty-five”. 5 USC 2094.

(c) Section 6 of such Act is amended to read as follows: 5 USC 2095.

“SEC. 6. (a) Each policy purchased under this Act shall contain a provision, in terms approved by the Commission, to the effect that any Life Insurance.
Termination.

insurance thereunder on any employee shall cease upon his separation from the service or twelve months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission.

“(b) If upon such date as the insurance would otherwise cease the employee retires on an immediate annuity and (1) his retirement is for disability or (2) he has completed twelve years of creditable service, as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him, but the amount of such insurance shall be reduced by 2 per centum thereof at the end of each full calendar month following the date the employee attains age sixty-five or retires, whichever is later, subject to minimum amounts prescribed by the Commission, but not less than 25 per centum of the insurance in force preceding the first such reduction. Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required twelve years provided the employee has completed at least five years of civilian service.

“(c) If upon such date as the insurance would otherwise cease the employee is receiving benefits under the Federal Employees' Compensation Act because of disease or injury to himself, his life insurance may, as provided in subsection (b), be continued during the period he is in receipt of such benefits and held by the United States Department of Labor to be unable to return to duty.”

(e) The amendments made by subsections (a), (b), and (c) shall take effect as of August 17, 1954, except that (1) they shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this Act, and (2) nothing therein shall be construed to require salary withholdings for any period prior to the first day of the first pay period which begins after the date of enactment of this Act.

Approved September 23, 1959.

Effective
date.

